Forth Valley NHS Board Annual Report and Accounts 2021/2022

Working together to protect the health and wellbeing of our patients and staff

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Overview

Introduction

The purpose of this overview is to give a short summary that provides sufficient information to understand our NHS Board, our purpose, the key risks to the achievement of our objectives and how we have performed during the year.

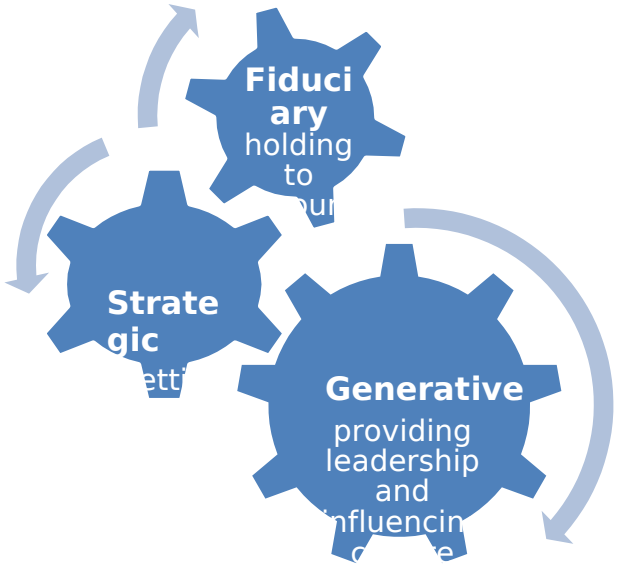
We are an organisation that cares: cares for our patients, cares for each other and cares for the communities we serve and support.

NHS Forth Valley as a governing body is one of 14 regional Health Boards. Health Boards are responsible for the protection and improvement of their population's health and the delivery of frontline healthcare services. Forth Valley is an area coterminous with Stirling, Falkirk and Clackmannanshire Local Authorities and the Health Board serves a total population of approximately 305,930[1].

The overall purpose of the NHS Board as a governing body is to ensure the efficient, effective and accountable governance of our local NHS system and to provide strategic leadership and direction for our system as a whole.

NHS Forth Valley's Governance Ambition & Model

Good governance ensures we do the right things, in the right way, for the right people in a timely, inclusive, open, and accountable manner. The Health Board system of governance is set out under three main governance themes, notably:



- 'fiduciary governance' to ensure we have good stewardship of our assets and resources and can demonstrate best value in our decision making
- 'strategic governance' to allow us to consider our context, operating environment and what our data and patient and stakeholder feedback is telling us to help us when formulating future strategy and plans
- 'generative governance' to enable us to influence culture through our leadership and sense

[1] Mid-2020 Population Estimates Scotland | National Records of Scotland (nrscotland.gov.uk)

making role

By bringing these components together we can operate within a corporate governance framework that takes account of the Blueprint for Good Governance[2] which includes:

- setting strategic direction through our approved corporate objectives
- holding the executive team to account for the delivery of those objectives
- determining the level of risk, we are willing to accept
- influencing our organisation's culture
- reporting to stakeholders on our stewardship

In summary our commitment is three-fold, to:

- exemplify our values in how we behave and interact with each other
- promote a culture that inspires, empowers, and encourages shared learning and innovation; a culture that listens and engages with people, partners, and our staff to promote teamwork and collaboration
- support a culture that focuses on the long term and setting direction in ways that align our strategy with resources to ensure we deliver improvement in our priority areas

Role and Functions of the Health Board

The role of the Health Board is to:

- improve and protect the health of its local population
- deliver person centred, safe and effective services
- focus on improving outcomes and the experience of patients and their carers accessing care and services
- promote integrated working at local (health and care integration and community planning), regional and national levels
- provide a single focus of accountability for the performance of the local NHS

The functions of the Board include:

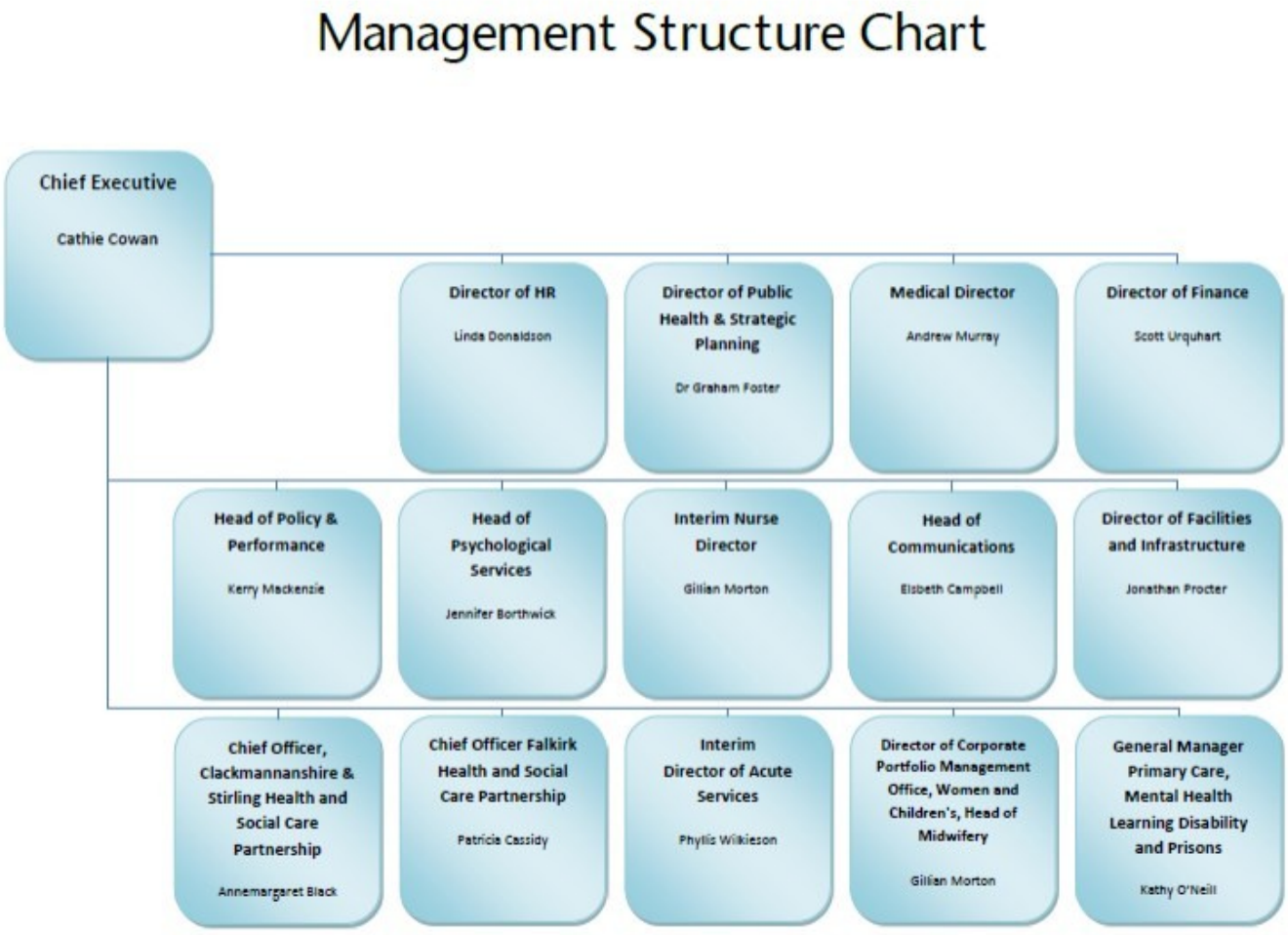
- formulating strategy, including the development of our Remobilisation Plans (in years past Annual Operation Plan)
- allocating resource in ways that deliver optimal health outcomes and best value
- implementing Operational Plans and seeking both commitment and accountability by holding the organisation (all staff) to account for performance and the delivery of both improvement in population health, individual experience of care whilst operating with a context of affordability and sustainability
- shaping a positive culture (open, just, and fair) for the Board and organisation

The organisational structure of the Board, incorporating all core NHS functions, together with structures for the Falkirk and Clackmannanshire and Stirling Partnerships is set out below, and in the Board's public website[3].

[2] https://www.sehd.scot.nhs.uk/dl/DL(2019)02.pdf
[3] https://nhsforthvalley.com/about-

us/board-matters/structure-charts/
2

Chart 1: NHS Forth Valley Management Structure



Development of the Health Board's Strategy and Corporate Plan

The Scottish Government published the NHS Recovery Plan 2021 – 2026 on 25 August 2021. The Plan acknowledges and understands the challenges of the pandemic in terms of the impact on staff in responding to the demands of delivering the required services often in new ways, and in maintaining essential services, such as urgent, emergency, mental health, maternity and cancer care. The Plan sets out key headline ambitions and actions to be developed and delivered now and over the next 5 years and focuses on ensuring that the process of recovery delivers long term sustainability, with innovation and redesign as well as the creation of additional capacity central to delivery.

Re-mobilise, Recover, Re-design: The Framework for NHS Scotland, published on 31 May 2020, has provided the over-arching context for our remobilisation planning in 2021/2022, including the principles and objectives for safe and effective mobilisation. Following Scottish Government Guidance, our System-Wide Remobilisation Plans iterations 1 to 3, developed in partnership and in line with the themes of Re-mobilise, Recover, Re-design, have focused on the seven principles set out in the Framework. Plans have been informed by the clinical prioritisation of services and national guidance and policy frameworks including those relating to Test and Protect and PPE, which are critical to safeguarding our staff, patients and the wider public. Additionally, plans have been built on who we are and what we want to achieve with a continued commitment to implement our long term vision as set out in our Healthcare Strategy – Shaping the Future 2016 - 2021. Following a

pause as a result of the pandemic, a refresh of our Healthcare Strategy is underway. A stocktake of the current strategy has

been undertaken and work is being progressed with the Corporate Management Team with a view to complete the refresh by the end of October 2022.

Remobilisation Plan 4 October 2021 - March 2022 was submitted to the Scottish Government along with a number of supporting documents on 7 October 2021. The purpose was to provide an opportunity to review and update our System-Wide Remobilisation Plan 3 to ensure that it continued to reflect the situation, six months into 2021/2022, whilst at the same time recognising the uncertainties in relation to the on-going Covid-19 Pandemic, and the substantial developments which have been undertaken over a short period of time.

Our Corporate Objectives as set out in our Corporate Plan are our long term organisational goals. They help us convert our vision into more specific priorities and plans whilst setting milestones for success which in turn guide our decision making to optimise health outcomes and maximise care for our population within available resources. Revised Corporate Objectives, including a focus on sustainability, were approved by the NHS Board in March 2022.

Corporate Objectives

- Plan for the future
- Protect and improve the health and wellbeing of the people of Forth Valley, whilst reducing health inequalities
- Improve our focus on safety, quality, and sustainability • Value and develop our people
- Deliver best value using our resources
- Promote and build integrated services locally and regionally
- Display leadership behaviours that nurture and support transformational change across our health and care system

Accountable Officer's Overview Report

Our initial Mobilisation Plan and subsequent system-wide Remobilisation Plans have been developed in partnership with clinical and service leads across our two local Health & Social Care Partnerships and Board wide Directorates. These Plans also took account of the national Programme for Government and Care and Wellbeing Programmes and reflect our ongoing work to support organisational stability, and reform with an eye to future transformation and sustainability.

We ensured our staff were resourced and supported to provide care and treatment for all of our patients, including those with Covid-19. This was done in collaboration with our staff, staff representatives and partners. We increased our capacity, not only in our hospitals but also in our communities, working closely with our two local Health & Social Care Partnerships, three local councils and public sector colleagues. Changes were adopted at pace, using technology and innovations assisted by a wide range of clinical and support services.

During our initial period of recovery, we took the opportunity to recognise the challenges and successes of our health and care response to Covid-19, including the significant achievements implemented at pace and scale, such as the provision of Test & Protect, the Covid-19 Vaccination programme and support to our Care Homes. We were, and continue to, remain committed to delivering high quality and positive health and care outcomes for the people of Forth Valley. We set out plans for the phased reintroduction of clinical services which were paused during the pandemic, and the implementation of these plans continue to be monitored closely. Apart from a short period in January through to February 2022, NHS Forth Valley maintained its elective care programme and continued to provide a wide range of planned surgery, day case and outpatient appointments.

The decision in January 2022 to postpone a number of non-urgent operations was taken to reduce 4

pressures on the Forth Valley Royal Hospital site and free up staff to support critical health services. This action was taken in response to a significant increase in Covid-19 infections which had resulted in a high number of staff absences and added to existing service pressures. Elective care activity recommenced in February 2022 and alternative appointments were quickly arranged for patients whose operations had been postponed.

Widespread service remobilisation is not without difficulties and it will not be easy as we balance our ongoing response to Covid-19 with its legacy of long waits and widening inequalities. In response, NHS Forth Valley has made a number of major investments to increase capacity and build more sustainable services. This includes investment in the expansion of Hospital at Home which saw our Ageing and Health Consultants move from the hospital to support the assessment and management of older people closer to home, urgent care, stroke, outpatient, theatre and inpatient capacity and our plans to recruit additional new staff to support these service developments are now well underway. We have received significant additional funding to improve Psychological Therapies and Child & Adolescent Mental Health Services and the NHS Board has made the decision to invest recurringly in new ways of working, including new posts to tackle long waits due to the pandemic. We also developed an excellent collaborative approach to support local care homes with our Health & Social Partnerships.

We continue to acknowledge the importance of harnessing the benefits of a wide range of innovation, quality improvement and digital developments which we deployed during the early stages of the pandemic. Digital and eHealth has been a major enabler throughout the pandemic, including the accelerated roll out of 'Near Me' video consultations across all main care settings and GP Practices; full Microsoft Teams roll out to all staff in NHS Forth Valley to support virtual meetings and communications; new messaging solutions for clinical and operational teams; increased Wi-Fi access at Forth Valley Royal Hospital; additional laptops and mobile devices to support more agile and home working; and, strengthened cyber security by rolling out Advanced Threat Protection (ATP) software.

We have ensured the effective roll out of local Test and Protect services, public and staff vaccination programmes, Covid-19 assessment pathways, and extensive infection control measures to help prevent virus spread. These developments have been critical in our management of the pandemic and the ongoing delivery of our services.

We have continued to work to protect the health and wellbeing of all our staff, by ensuring appropriate personal protective equipment, access to testing, occupational health support, and access to staff wellbeing programmes, focussing, in particular, on mental health support.

Elective Care

From the outset we ringfenced and protected our elective care services and have used an expanded day surgery area operating 7 days per week to support clinical teams delivering care to those most in need using the national clinical prioritisation approach. We are also systematically adopting specific Scottish Access Collaborative workstreams in our remobilisation plan and are working closely with the Centre for Sustainable Delivery team to redesign our services. This has already included waiting list validation which is on-going, and we have extended Active Clinical Referral Triage, Patient Initiated Review, and the use of Effective Quality Interventions Pathways across a number of services. We have a structured programme of service development groups who meet regularly to embed these new ways of working within each individual clinical service.

During the initial period Acute Schedule Care services received a reduction in referrals. The effect of this reduction in demand was that the waiting list sizes remained stable but waiting times increased. As surgical services entered the recovery phase the competing demand from the various surgical specialties to gain access to a limited surgical resource has been managed to maximise activity.

Remobilisation planning has seen NHS Forth Valley work with Scottish Government colleagues to agree

trajectories in respect of reducing the numbers of patients waiting beyond the 12-week target whilst continuing to prioritise and treat those patients most in need of surgery, notably:

- Priority level 1a - Procedure (for surgical patients) or admission (medical patients) needed within 24 hours
- Priority level 1b - Procedure (for surgical patients) or admission (medical patients) needed within 72 hours
- Priority level 2 - Clinical assessment determines procedure (for surgical patients) or admission (medical patients) required within 4 weeks.

Cognisance continues to be taken of those patients in other priority groups with planning on a week by week basis supporting non-urgent outpatient, daycase and inpatient appointments.

- Priority level 3 - Clinical assessment determines procedure (for surgical patients) or admission (medical patients) required within 12 weeks
- Priority level 4 - Clinical assessment determines procedure (for surgical patients) or admission (medical patients) may be safely scheduled after 12 weeks.

NHS Forth Valley has continued to diagnose and treat cancer patients throughout the pandemic and has managed to continue the surgical pathway to good effect. A Clinical Governance Framework has been established for Cancer Services in Forth Valley with a Service Level Agreement agreed with NHS Lanarkshire to ensure the Head & Neck cancer service is sustainable.

Outpatient services have been able to maintain urgent outpatient capacity, whilst also supporting acute clinical assessment, pre-assessment for surgery and significant additional workload such as covid swabbing for our endoscopy and surgical pathways. As we continue to resume services and more routine care is restored, new protocols and procedures have been introduced including projects that harness technology such as Near Me and Asynchronous Consultation and introduce innovative ways of working. Our clinical teams are closely involved with national improvement programmes working on outpatient redesign such as Modernising Patient Pathways Programme (MPPP) and Scottish Access Collaborative (SAC).

Planned surgery and treatment continues where possible in line with the capacity and staffing. Ensuring agility to support elective services allowing for flexibility to introduce both urgent and routine elective care capacity whilst maintaining cancer services is built into our Remobilisation Plan. As well as a focus on specialty level delivery, operational groups will build sustainable models of change and recovery through working in partnership with diagnostic, finance, and workforce services.

Diagnostics

Capacity for imaging and endoscopy services has been significantly reduced because of the Covid-19 pandemic. Recovery work initially supported a reduction in the number of patients waiting beyond 42 days however following a significant increase in the numbers of imaging referrals, particularly for Computerised Tomography CT) scans, and Ultrasound, the department is working to increase activity and address the long waiters. (Note patients are being seen on a priority basis with waiting lists actively monitored and managed). There is considerable pressure on the CT service with challenges in the provision of slots for our Emergency Department, often to prevent admission, and inpatients. Work is ongoing to ensure appropriate support to these areas.

We have detailed plans in place to allow us to expand endoscopy capacity significantly using three session days and 7 day working which is dependent on securing recurring funding for additional staff. This is being addressed as part of

our overall remobilisation plan.

Unscheduled Care

Following an initial reduction in the number of presentations at the Emergency Department (ED) attendances are almost back to Pre-Covid numbers with high levels of acuity. The introduction of the Flow Navigation Centre and Urgent Care Centre is intended to reduce overcrowding in ED and our Clinical Assessment areas. To further reduce overcrowding, maintain physical distancing and to reduce the potential spread of infections, there is ongoing development of the Urgent Care Centre, with additional clinical pathways utilising this new scheduled urgent care facility.

There is a clear imperative to develop a safe and sustainable staffing and service delivery model.

Mental Health

NHS Forth Valley Mental Health Services are committed to prevention and early intervention, and providing early year's support, timely access to treatment, and joined up accessible services, meeting the physical needs of people with severe and enduring mental health needs, adopting a human-rights based approach, and supporting people back into the workplace.

Service development including the expansion of online interventions and the development of multi-agency clinical pathways has been essential in managing the gap between demand and capacity. A comprehensive Psychological Therapies Improvement Plan was submitted to the Scottish Government in July 2021. Feedback on this was received from the Mental Health Performance, Remobilisation and Renewal Unit, and a revised plan was submitted to Scottish Government in September 2021. This Plan provides details of improvement actions, anticipated trajectories and plans for use of the significant allocation from the Mental Health Recovery & Renewal Fund. A full programme of improvement actions is in place with the service receiving enhanced support from the Scottish Government.

Child and Adolescent Mental Health Service (CAMHS) continued to offer interventions to children, young people and families experiencing mental health crisis and presenting as emergency or urgent cases with a number of new children and young people seen. As part of the contingency plan CAMHS completed risk assessments on all children open to the Service to identify those whose mental health was most compromised or at risk. A red/amber/green risk rating was applied to each child.

Some young people, children and families opted out of therapy, whilst many continued to take advantage of return appointments delivered via secure video conferencing or by telephone. In addition, CAMHS continued to offer Near Me consultations for professionals across children's services to support multi agency working. Work continues to prioritise urgent referrals for children and young people who have experienced longer waits with the aim of clearing the waiting list backlog by 31 March 2023.

Choice and Partnership Approach (CAPA) went live at the end of January as planned, with the first phase of our nursing team starting their new CAPA job plan. The CAMHS leadership team, continue to progress CAPA job planning with all clinical staff.

NHS Forth Valley submitted an Improvement Plan to the Scottish Government in September 2021. This Plan provides details of improvement actions and anticipated trajectories and sets out plans using the allocation from the Mental Health Recovery and Renewal Fund to support full implementation of the CAMHS Specification - Community, expansion of CAMHS from age 18 to 25 years for

targeted groups and those who wish it, and to address our waiting list backlog. Our CAMHS Improvement Plan sets out our response to each of these areas with the service receiving enhanced support from the Scottish Government.

Integration

NHS Forth Valley continues to work with its two Partnerships and three Local Authorities to support our most vulnerable people and communities and to enhance and maximise the benefits of integration. There is agreement across Forth Valley to deliver whole system planning aligning Health & Social Care Strategic Commissioning Plans and joint activity. It was helpful to receive feedback from Audit Scotland regarding the Best Value Review (Falkirk Council), the feedback referred to the 'good partnership working and constructive relationships that are improving how services are provided.'

We have invested recurring funding in: additional beds and relocation of rehabilitation services, establishing a 7-day Allied Health Professionals service to support fast track rehabilitation and discharge, additional senior medical decision makers in the evening and at weekends, expanded and relocated our Hospital at Home Team, commissioned additional care home beds to support people temporarily whilst they wait for a Care Home of choice and/or care package and developed a programme to recruit Healthcare Support Workers for our Partnerships to deploy and to provide additional capacity in care at home services.

Significant focus has remained on the delayed discharge position to support the flow of our patients through Forth Valley Royal Hospital and NHS Community Hospital sites. The Health & Social Care Partnerships continue to manage delayed discharges within our health system and work to discharge all acute delayed discharges and people currently delayed in our community and or mental health beds, as well as working in communities to help prevent unnecessary admissions to hospital. We have engaged fully in the 'Discharge without Delay' programme to help address capacity challenges on the acute hospital site.

In addition, we have actions in place to ensure short-term support for people living at home through responsive community care and support services, coordination of community support with less duplication and a more efficient service model and for those in need of in need of additional care we have worked together to source interim care home placements. Our Forth Valley Care Home Assessment and Response Team provides support to care homes with infection prevention and control and other measures to protect care home residents whilst also supporting care home staff. We have also tested a third sector link worker based on the acute site and have worked closely with the Royal Volunteer Service to facilitate discharges. In reviewing our Winter Plan template 2021/22, it is clear we have implemented our agreed actions through a strong partnership response.

Primary Care

Primary Care in its widest sense has served patients, the NHS, and the public well during the pandemic. However, people's expectations and health care needs have grown in complexity and we have used our infrastructure, workforce, and technology to do the right thing (treatment/intervention) in the right place at the right time. In support of this changing operating environment, we have embraced the policy direction including the new General Medical Services contract with matched significant investment to mitigate workforce and service sustainability risks. The implementation of the contract remains a key plank in our stabilisation, reform and transformation agenda geared to protecting and improving the health of our population. Our commitment to being an Anchor Institution has enabled us to develop even stronger collaborative opportunities with e.g., the University of Stirling and Forth Valley College as we work to tackle health inequalities with our partners.

Implementing the Primary Care Improvement Plan in line with the Memorandum of Understanding 2 to support the General Medical Service Contract agreed between the Scottish Government, Health Boards, Integration Authorities and Scottish General Practitioners Committee remains a key priority. In this regard, the Health Board has assumed overall logistical responsibility facilitated through national digital solutions for implementing vaccination programmes, notably Covid booster and flu by investing in a Vaccination Team in collaboration with Practices who wish to engage in this Programme especially

those Practices in our rural communities. We remain committed to providing pharmacotherapy support to help manage acute and repeat prescriptions, medicines reconciliation and the use of serial prescribing. In addition, we will continue to focus on high-risk medicines and high-risk patients by using regular medication and polypharmacy reviews to ensure effective person- centred care is principally delivered by our pharmacists and we accept this goes beyond a level one pharmacotherapy service however the interdependencies between all three levels remains our ambition.

Our planning for Urgent Care, additional Professional Roles and Community Link workers continues as we work with primary care colleagues and our GP Sub Committee and Health and Social Care Partnerships to ensure we remain committed to deliver on the promises set out in the GMS Contract. Dental, Community Pharmacy, and optometry services are recovering as planned.

Workforce

The Human Resources Directorate has continued to support services throughout the ongoing pandemic and its legacy. Ongoing recruitment to support and maintain Test & Protect services, Covid-19 and Flu Vaccination Programmes and more recently social care HealthCare Support Worker appointments to support care in the community remains a key priority. In addition, we have invested recurringly in Hospital at Home, urgent and elective care, stroke, and 7-day AHP services and an expansion of our day surgery 'ringfenced' service. Recruitment to these new or expansions in services is ongoing as part of our commitment to building long-term sustainable services including during winter and in year peak times.

Staff Health and Wellbeing remans a key priority for NHS Forth Valley. A Staff Health and Wellbeing group, led by the Human Resources Director, meets regularly with work ongoing to provide immediate support especially to those staff who are in front facing roles. This support includes psychologist input and further development of peer supporter roles, psychological first aid and mental health support. Our commitment to develop a Corporate Staff and Wellbeing Plan that takes account of the Sturrock Review recommendations is well underway and is due to published in July. The work captured in this Plan is testimony to our ongoing commitment to staff wellbeing.
In addition, investment in a new 'Speak Up' initiative has been endorsed by the Health Board and appointments to the role of Ambassadors and Advocates have been made with training completed. The service has now been formally launched.

A refresh of our People's Strategy is being informed by stakeholder engagement sessions supported by our Organisational Development and Learning and Development Teams. This refresh has a number of key strands including a review of our value and behaviours, establishing Equality & Diversity Networks, launch of our new 'Speak Up' initiative linked to our commitment to using and reporting on iMatter engagement/compliance and ongoing Management & Leadership development.

Determining specific workforce needs will play an important part in our recovery and reform process and will support the development of the Three-Year Workforce Plan due for submission by 31 July 2022.

Test & Protect

Testing has remained a key element in the tracking and management of Covid-19. Early investment in our laboratory testing capacity enabled the Health Board to effectively manage local outbreaks. There has also been extensive work to deliver testing in multiple locations including the roll out of asymptomatic testing with the use of Mobile Testing Units. Test and Protect has been in place in

Forth Valley since 28 May 2020 with NHS Forth Valley having implemented all the Test & Protect Pathways. The national elements of Test and Protect have been in place to support the local NHS response with local health protection teams continuing to handle contact tracing for more complex incidents and enquiries linked to schools, care settings or workplaces.

Specialists in health protection have maintained constant surveillance for signs of possible hot spots or outbreaks and work with the community to identify and reduce risks. The local service is led and supervised by staff from the NHS Forth Valley health protection team within Public Health, supported by other local staff redeployed from their substantive roles. The Test and Protect service has been fully staffed 12 hours a day, seven days a week and supported by an on-call Public Health Consultant.

In line with Scottish Government guidance routine contact tracing ended on 30 April 2022.

Vaccination Programmes

NHS Forth Valley's Vaccination Services over the Autumn and Winter months of 2020 to 2022 have been successful in safely and effectively delivering both flu and Covid-19 vaccination programmes in accordance with the recommendations of the Joint Committee on Vaccination and Immunisation (JCVI). The uptake rates across Forth Valley for COVID and flu since for 2021/22 have been above Scotland's average rate for the majority of the population categories.

Table 1 details the Flu and Covid uptake rate in Forth Valley compared to Scotland in 2021/22.

Table 1: Flu/Covid uptake rate Forth Valley/Scotland 2021/22

JCVI Cohort 2021/2022 Covid Booster Delivery	Uptake Forth Valley	Uptake Scotland
Total population aged 16 years +	78%	76%
Older people in care homes	96%	95%
Severely Immunosuppressed	80%	77%
Clinically Extremely Vulnerable(CEV)	82%	79%
Aged 70 years and over	94%	94%
60- 69 years	92%	91%
50 -59 years	87%	85%
40- 49 years	77%	76%
30- 39 years	66%	61%
18 -29 years	55%	52%
16 -17 years	17%	11%
JCVI Cohort 2021/2022 Covid 2nd dose delivery	Uptake Forth Valley	Uptake Scotland
12-15 years dose 1	73%	68%
12-15 years dose 2	53%	43%
16-17 years dose 1	83%	81%
16-17 years dose 2	58%	55%
JCVI Cohort 2021/2022 Flu 2021/22 Programme	Uptake Forth Valley	Uptake Scotland
Older people in care homes	91%	91%
Severely Immunosuppressed	82%	80%
Clinically Extremely Vulnerable(CEV)	86%	83%
Aged 70 years and over	90%	89%
16-64 years at Risk	70%	62%
50 -59 years	70%	64%
Secondary Schools	72%	/
Primary Schools	78%	/
Eligible 6mths to 2years	54%	/

This achievement is as a result of the human and financial investment that has been made by the Health Board to expand the vaccination team at the pace required to ensure they met the ambitious challenge set by the JCVI and the Scottish Government. To ensure the programmes remained safe and accessible, a hybrid model was adopted throughout the area with vaccinations delivered from GP Practices and Community Hubs. Such an approach provided the public with access to vaccinations from a variety of locations with the majority accessing the community-based vaccination centres in Clackmannanshire, Stirling, and Falkirk

that were open seven days per week/12 hours per day. Those living in rural locations were given the ability to access vaccinations from their local GP surgery with others able to utilise local community pharmacies and occupational health services to access their vaccine at a time that was convenient to them.

Local district nursing services, community hospital staff, Prison and Scottish Ambulance Services supported delivery of the programmes. This was to ensure that everyone, irrespective of the location in which they live or their social circumstance, had ready access to vaccination services.

The key to the successful delivery of these programmes was the excellent partnership working and commitment across the whole of Forth Valley. There are several examples of this partnership working, and this was most clearly demonstrated by the community locations given to NHS Forth Valley for mass vaccination centres by local authority teams and community partners in higher and further education, notably Forth Valley Colleges.

Performance Analysis – Key Non Financial Targets

During the year a performance report has been presented at each Board meeting. The purpose of the performance report (Recovery and Performance Scorecard) is to provide information and assurance in respect of the overall performance of Forth Valley NHS Board.

A scorecard format has been developed to provides a comprehensive 'at a glance' view of performance measures in respect of indicators relating to recovery, key performance and pandemic response. Progress against targets is reviewed at the NHS Board and the Performance & Resources Committee with discussion on actions underway to support achievement and sustainability of targets and key challenges and risks. The key performance indicators include the 8 key standards most important to patients and are designed to support the overall recovery position and provide a month-on-month progress overview.

Table 2 provides an overview of key performance measures comparing the March 2022 position with the March 2021 position. In addition, detail of performance in relation to our 2021 – 2022 System-Wide Remobilisation Plan activity trajectories, that have been agreed with the Scottish Government, is highlighted. Trajectories are in respect of scheduled or planned care and relate to Outpatients, Diagnostics and Inpatients.

Table 2: Key Performance Measures Overview

MEASURE	DATE	Mar-22	Mar-21
UNSCHEDULED CARE			
Emergency Department % compliance against 4 hour access target	Apr-21 - Mar-22	**64.4%**	
NHS Forth Valley Overall % compliance against 4 hour target		**89.9%**	Apr-21 - Mar-22
Minor Injuries Unit % compliance against 4 hour target		**73.8%**	
OUTPATIENTS		**92.9%**	Apr-21 - Mar-22
Total Number of New Outpatients Waiting (Month)		**99.7%**	
Number of New Outpatients waiting over 12 weeks (Month)		**99.7%**	
Compliance with agreed remobilisation activity plan trajectory	31-Mar-22	**16,138**	
DIAGNOSTICS		**15,631**	31-Mar-22
Percentage waiting less than 42 days - Imaging (Month)		**6,587**	
Number waiting beyond 42 days - Imaging (Month)		**8,350**	
Compliance with agreed remobilisation activity plan trajectory	Apr-21 - Mar-22	**97%**	
Percentage waiting less than 42 days - Endoscopy (Month)		**111%**	
Number waiting beyond 42 days - Endoscopy (Month)		**56.2%**	
Compliance with agreed remobilisation activity plan trajectory	31-Mar-22	**99.3%**	31-Mar-22
CANCER		**2812**	
62 Day Cancer Target - Percentage compliance against target (Quarterly)		**11**	
31 Day Cancer Target - Percentage compliance against target (Quarterly)	Apr-21 - Mar-22	**107%**	**N/A**
INPATIENTS	31-Mar-22	**59.2%**	
Total Number of Inpatients/Day cases Waiting (Month)		**32.8%**	31-Mar-22
Number of Inpatients/Day cases waiting over 12 weeks (Month)		**206**	
Compliance with agreed remobilisation activity plan trajectory	31-Dec-21	**441**	
MENTAL HEALTH		**81.4%**	31-Dec-21
Psychological Therapies - 18 week RTT compliance (Quarterly)		**97.9%**	**98.9%**
Child & Adolescent Mental Health Services - 18 week RTT compliance (Quarterly)			
	31-Mar-22		**3,921**
	3181	31-Mar-22	**1,649**
		1797	Apr-21 - Mar-22
		83%	**72%**
	31-Mar-22	**69.2%**	
		51.5%	
	31-Mar-22	**67.2%**	
		34.0%	

Unscheduled Care

In 2021/2022, Compliance with the Unscheduled Care access target of 95% of patients should wait less than 4 hours from arrival to admission, discharge or transfer for accident and emergency treatment is noted as:

- Minor Injuries Unit 99.7%
- Emergency Department 64.4%
- Forth Valley overall 73.8%

We acknowledge delivery of the 4-hour access standard has been particularly challenging. We are in the process of reviewing our delivery and governance model to stabilise, reform and build sustainable models to support consistent performance. In support of this review, three key areas of work in relation to: triage models, capacity within urgent unscheduled care services, and maintaining flow are being progressed in NHS Forth Valley Unscheduled Care

services which blend elements of previous and new workstreams.

Outpatients

The total number of patients waiting for a first appointment has increased comparing March 2022 with March 2021 however the number of patients waiting beyond 12 weeks has reduced.

- Ø Total number of patients waiting for a first outpatient appointment at the end of March 2022 was 16,138 compared with 15,631 at the end of March 2021
- Ø The number of patients waiting beyond 12 weeks for a first outpatient appointment at the end of March 2022 was 6,587 compared with 8,350 at the end of March 2021

- From April 2021 to March 2022 NHS Forth Valley delivered 60,344 outpatient appointments against the remobilisation plan trajectory of 62,474 appointments. This is 97% compliance against the plan agreed with the Scottish Government.

Diagnostics

Following a significant increase in imaging referrals (x-ray, CT, Magnetic Resonance Imaging (MRI) and non-obstetric ultrasound), particularly in respect of CT and ultrasound, performance against the 6 week standard has deteriorated despite activity in this area being better than that planned. Improvements have been noted in endoscopy waiting times.

- The number of patients waiting beyond 6 weeks in March 2022 for imaging was 2,812 compared with 11 patients in March 2021
- The number of patients waiting beyond 6 weeks in March 2022 for endoscopy (upper and lower gastrointestinal endoscopy, colonoscopy and cystoscopy) was 206 compared with 441 in March 2021.
- From April 2021 to March 2022 NHS Forth Valley delivered 36,965 imaging appointments (x-ray, CT, MRI, and non-obstetric ultrasound) against the remobilisation plan trajectory of 35,232 appointments. This is 105% compliance against the plan agreed with the Scottish Government.
- From April 2021 to March 2022 NHS Forth Valley delivered 4,493 endoscopy appointments against a plan of 4,124 appointments. This is 109% compliance against the plan agreed with the Scottish Government.

To support imaging services a CT Van has been commissioned from 1 June 2022 to 31 August 2022 to provide scans for 1,500 Forth Valley patients and 1,500 Lothian patients. This will reduce the waiting times to under 3 months for most scan urgency categories and is fully funded by the Scottish Government. A funding bid has been submitted to the Scottish Government for a third CT scanner. It is anticipated that this will be installed in quarter 3 2022/23 (September to December), with scans commencing in quarter 4 2022/23 (January to March 2023). It is anticipated that the waits for CT will be within the 6 week standard by the end of April 2023.

Seven day working has commenced for MRI using both scanners to support an increase in activity to meet demand with a number of recruitment related solutions in place to ensure ultrasound activity. Work to protect staff rosters is underway in partnership, to support and improve recruitment potential and retention of Radiographers. In addition, there is an opportunity to further develop and invest in the Administration Teams that are vital in supporting Radiology Services allowing for a more patient focused booking system, reduced Did Not Attends (DNAs), and a reduction in missed appointments.

Cancer

The target is, 95% of patients referred urgently with a suspicion of cancer to begin treatment within 62 days of receipt of referral and, 95% of all patients diagnosed with cancer to begin treatment within 31 days of decision to treat.

62-day cancer target

- In the quarter ending March 2022, 72.2% of patients with a suspicion of cancer were treated within 62 days compared with 81.4% in the quarter ending March 2021.

31-day cancer target

- In the quarter ending March 2022, 97.9% of patients were treated within 31 days of decision to treat compared with 98.9% in the quarter ending

March 2021.

Urgent suspected cancer activity has been prioritised with robust monitoring in place and we continue 13

to track those additions to our 31-day and 62-day cancer pathways linking with the cancer team at the Scottish Government on a weekly basis. We are working with local clinical teams to redesign our cancer pathways and are currently actively focusing on reducing waiting times for endoscopy and urology pathways. We are also working closely with the national performance team to implement new systems for tracking and recording our performance. We are currently managing all cancer surgery on site and as a consequence we are not needing to use capacity at the Golden Jubilee or the independent sector. We have offered mutual aid to a number of other Health Boards (NHS Lanarkshire, NHS Fife, and NHS Tayside) for both their outpatient assessment of patients on an Urgent Suspicion of Cancer pathway and cancer surgery.

Inpatients

The total number of patients waiting for inpatient or daycase treatment has increased comparing March 2022 with March 2021 however the number of patients waiting beyond 12 weeks has reduced.

- Ø Total number of patients waiting for inpatient or daycase treatment at the end of March 2022 was 3,921 compared with 3,181 at the end of March 2021
- Ø The number of patients waiting beyond 12 weeks for inpatient or daycase treatment at the end of March 2022 was 1,649 compared with 1,797at the end of March 2021
- Ø From April 2021 to March 2022 NHS Forth Valley delivered 8,077 inpatients/daycases against the remobilisation plan trajectory of 9,723 appointments. This is 83% compliance the plan agreed with the Scottish Government.

We expanded our day surgery footprint from 14 beds to 17 and more recently expanded this bed footprint to 23 beds to allow our green pathways to run regardless of inpatient and unscheduled care challenges. We are working to redesign our theatres to 'smooth' the flow of patients across 7 days and to work towards utilising the fallow theatre sessions that we have within the theatre suite to add to our surgical capacity and commitment to long-term sustainability.

Mental Health

Psychological Therapies

Psychological therapies refer to a range of interventions, based on psychological concepts and theory, which are designed to help people understand and make changes to their thinking, behaviour and relationships in order to relieve distress and to improve functioning. The target applies specifically to psychological therapies for treatment of a mental illness or disorder.

The Psychological Therapies target is, 90% of patients to start treatment within 18 weeks of referral. An improved position is noted comparing March 2022 with March 2021.

- Ø In March 2022, 80.0% of patients started treatment within 18 weeks of referral compared to 63.8% in March 2021

The Remobilisation Plan trajectory agreed with the Scottish Government was 60% of patients to be seen in the quarter ending March 2022.

- Ø In the quarter ending March 2022, 69.2% of patients were seen within the 18-week referral to treatment standard compared with 51.5% in March 2021
- Ø In March 2022, performance against the 18-week referral to treatment

standard was 80% compared with 63.8% in March 2021

Despite the service recently recruiting to a number of posts there remain challenges in respect of staffing and recruitment with vacancies within the core staffing establishment. The service is working with the Scottish Government to review activity plans taking account of the position. Work continues on prioritisation of referrals for people who have experienced longer waits with the aim of clearing

the waiting list backlog by 30 September 2023.

Child & Adolescent Mental Health Services (CAMHS)

CAMHS develop and deliver services for those children and young people (and their parents/carers) who are experiencing the most serious mental health problems. They also have an important role in supporting the mental health capability of the wider network of children's services. CAMHS are usually delivered by multidisciplinary teams including nurses, psychiatrists, psychologists, social workers, and others.

The CAMHS target is, 90% of patients to start treatment within 18 weeks of referral. An improved position is noted comparing March 2022 with March 2021.

The Remobilisation Plan trajectory agreed with the Scottish Government was 45% of patients to be seen in the quarter ending March 2022.

- In the quarter ending March 2022, 67.2% of patients were seen within the 18-week referral to treatment standard compared with 34.0% in the quarter ending March 2021.
- In March 2022, performance against the 18-week referral to treatment standard was 73.7% compared with 52.0% in March 2021

Work continues to prioritise urgent referrals for children and young people who have experienced longer waits with the aim of clearing the waiting list backlog by 31 March 2023.

Delayed Discharges

Delayed discharge refers to the process when a person who is clinically ready for discharge from inpatient hospital care continues to occupy a hospital bed beyond the ready for discharge date. The ready for discharge date is a clinical decision, taken in collaboration with the wider multi-disciplinary team, and is the point at which the person no longer requires treatment in a hospital setting. If that person is then still in hospital after midnight at the end of the ready for discharge date, then they are classed as a delayed discharge.

The delayed discharge position at the March 2022 census is noted as:

- 61 Standard delays, 32 of which have been delayed over 2 weeks
- 36 Code 9 Exemptions
- 97 Total Delays
- 1,369 Bed Days Occupied

The reasons for delay are broken down under 3 broad headings, health and social care reasons, patient/carer/family related reasons, and code 9 cases. Health and social care reasons are where the delay is as a result of the patient undergoing an assessment or waiting for care arrangements, a care home place, funding or transport. Patient, carer or family related reasons are where the delay sits with the person themselves, their carer or family. Code 9 refer to complex delays e.g., people waiting place availability in a specialist facility, people delayed due to requirements of the Adults with Incapacity legislation, and people awaiting completion of complex care arrangements.

As well as the potential impact to the health and wellbeing of a patient as a result of a delay in discharge, delays have an impact across the healthcare system in respect of patient flow from the front door of the hospital through to admission and beyond.

There is significant focus on the delayed discharge position to support flow of patients through Forth Valley Royal Hospital and the community sites. Work is

continuing in partnership, including third sector, to ensure appropriate care and to support timely discharge with care in the community, community intermediate care and community hospital facilities a high priority.

Workforce

Absence remains above the locally agreed 4.5% target with an increase noted at March 2022 compared with March 2021

- Ø In March 2022 the sickness absence rate was 5.87% compared with 5.62% in March 2021
- Ø The 12-month rolling average April 2021 to March 2022 is 6.14% compared with 5.67% in the period April 2020 to March 2021

The management of absence and the improvement of staff wellbeing remain key priorities for NHS Forth Valley. A multidisciplinary improvement programme is on-going along with the establishment of a partnership working group. Support is being provided to staff at work, to staff self-isolating, to staff within the shielding category and to enable home working.

Coronavirus absences are recorded as Special Leave and are not included within the sickness absences figures. The absence for Coronavirus reasons is noted as:

- Ø 5.02% in March 2022 compared with 3.58% in March 2021

Social Matters

NHS Forth Valley is committed to leading and promoting Equality and Diversity, equal opportunities and supporting human rights in terms of the provision of health services for the community it serves and in its practice as an exemplar employer. This is achieved by meeting sustainable procurement targets, delivering an ethical supply policy and implementation of Employability Strategies. In the development of our work as an Anchor Institution we will work alongside our communities collaboratively to actively contribute to health and wellbeing, and economic recovery.

NHS Forth Valley is fully committed to the prevention of bribery and corruption, and the Bribery Act 2010 is reflected within the Code of Corporate Governance, which includes the Standing Financial Instructions, and the Code of Conduct for staff. A clause in NHS Forth Valley Board contract standard terms & conditions prohibits any gift, payments, or consideration of any kind as an inducement or reward, and highlights the criminal nature of such offences under the legislation.

Financial Performance

NHS Boards are required to meet 3 financial targets in year, a Revenue Resource Limit, a Capital Resource Limit and a Cash Requirement. We have delivered on all three of our key financial measures. The Revenue and Capital Resource Limits are further analysed into Core and Non-Core where Non-Core represents items of expenditure which are of a technical accounting nature, details of which can be found on the Statement of Resource Outturn:

Financial outturn performance for 2021/2022 is noted below.

Table 3: Financial outturn Performance 2021/2022

	Limit set by SGHSCD	Actual Outturn	Variance (Deficit)/ Surplus
	£000	£000	£000
Core Revenue Resource Limit	730,064		729,774
Non-Core Revenue Resource Limit	21,202		290 21,202 0
Total Revenue Resource Limits	**751,266**		**750,976 290**
Core Capital Resource Limit	15,050		15,050 0
Non-Core Capital Resource Limit	0		0
Total Capital Resource Limits	**15,050**		**15,050 0**
Cash Requirement	750,634	750,634	0

In the year to 31st March the Board have delivered a small surplus of £0.3m which is broadly in line with the position achieved in the previous financial year. A one-year financial plan was submitted to Scottish Government by NHS Forth Valley on 17 March 2021. Due to the impact of the Covid-19 pandemic, the Scottish Government paused the three year Annual Operating and financial planning process. Recognising the exceptional nature of 2021-22 and the impact on delivery of financial plans, additional non-repayable funding was provided to support in-year financial balance across all NHS Boards. NHS Forth Valley received £27.4m.

Table 4: Memorandum for in year outturn

MEMORANDUM FOR IN YEAR OUTTURN (illustrating what the Board financial position would be if no surplus had been	£000 brought forward from the previous financial year)
Core Revenue Resource Variance (Deficit) / Surplus in 2021/22	290
Financial flexibility: funding banked with/ (provided by) Scottish Government	244
Underlying (Deficit) / Surplus against Core Revenue Resource Limit	534
Percentage	0.07%

A recurring revenue savings target of £32.398m was identified for 2021/22. During the course of the year recurring savings of £15.474m were delivered, with the residual balance of £16.924m achieved through non-recurring savings initiatives.

In line with the previous year, significant additional costs were incurred by Core NHS and delegated Health and Social Care Services as result of the pandemic, however this was fully funded by the Scottish Government. During the year total Covid funding of £60.1m was provided over and above £13.9m of earmarked IJB Covid reserves carried forward from 2020/21 as summarised in table 5.

Table 5: COVID-19 Costs and Remobilisation Funding 2021/22

	Falkirk Core NHS FV Clackmannanshire & Stirling Partnership Health & Social Care Services	Total Partnership Health & Social Care Services
	£m	**£m**
	£m Local	7.220
funds/reserves		13.862 4.934
6.642 Test & Protect	0.056	
0.621 Vaccinations	4.313	
11.615		11.727 15.675
11.499	0.056 Covid - general	
27.427	16.254 **Total**	43.428 **22.951**
	23.573	
		73.951

Capital expenditure in year amounted to £15.1m, which reflects the ongoing development of the National Treatment Centre (£3.7m), purchase of new medical equipment (£5.3m) and further investment in information technology priorities (£2.9m) with the balance relating to other facilities and infrastructure works carried out during the year.

Payment Performance

The Scottish Government and Forth Valley NHS Board are committed to supporting business in the current economic situation by paying bills more quickly. The intention is to achieve payment of all undisputed invoices within 10 working days, across all public bodies.

The payment target of 10 working days has been communicated to all non-departmental public bodies. Prior to this, the Board did endeavour to comply with the principles of The Better Payment Practice Code by processing suppliers' invoices for payment without unnecessary delay and by settling them in a timely manner. Payment performance for 2021/2022 is noted in table 6.

Table 6: Payment performance 2021/2022

	2021/22 12	**2020/21** 8
Average period of credit	days	days
taken Total number of	83,475	67,1
invoices	77,343	13
Total number of invoices paid within		63,4
30 days Percentage of invoices paid	92.7	27
within 30 days:	%	
- by	95.9	94.5
volume -	%	%
by value		96.7
Percentage of invoices paid within	83.7	%
10 days: - by volume	%	
- by value	90.3	87.0
	%	%
		92.1
		%

Sustainability and Environmental Reporting

The Climate Change (Scotland) Act 2009 originally set out measures adopted by the Scottish Government to reduce emissions in Scotland by at least 80% by 2050. The Climate Change (Emissions Reductions Targets) (Scotland) Act 2019 amended this longer-term target to net-zero by 2045, five years in advance of the rest of the UK. In 2020 ‘The Climate Change (Scotland) Amendment order came into force to reflect this and now requires NHS Boards to report on their progress in delivering their emissions reduction targets.

All designated Major Players (of which NHS Forth Valley is one) are required to submit an annual report to the Sustainable Scotland Network detailing compliance with the climate change duties imposed by the Act and the Amendment order. The information returned by the Board is compiled into a national

analysis report, published annually and superseding the prior requirement for public bodies to publish individual sustainability reports.

Further information on the Scottish Government's approach can be found in the Climate Change Plan 2018-2032 while national reports can be found at the following resource: https://sustainablescotlandnetwork.org/reports

Progress in terms of responding to the climate emergency was affected by the Covid-19 pandemic and in November 2021 DL (2021) 38[4], the NHS Scotland Policy on the Climate Emergency and Sustainable Development, came into force.

DL38 is underpinned by the NHS Scotland Climate Emergency and Sustainability Strategy - 2022 to 2026 that is currently being finalised by the Scottish Government (following consultation).

These documents clearly set out what NHS Scotland Boards are expected to do to mitigate the impacts of climate change and shift onto a net-zero trajectory. The Scottish Government (SG) has set out challenging aims and targets for NHS Scotland's response to the climate emergency and environmental sustainability.

The Scottish Government Health & Social Care Directorates (SGHSC) have established an NHS Scotland Climate Emergency and Sustainability Board to provide leadership and governance and to monitor each Board's efforts in responding to the global climate emergency.

NHS Boards are required to:

- Ø Reduce carbon emissions to net-zero by 2040 and decarbonise the NHS Scotland estate by 2038 (i.e., no gas heating)
- Ø Reduce energy use and resource consumption
- Ø Promote/deliver environmentally sustainable models of care Ø Support establishment of a circular economy
- Ø Make better use of greenspace as part of the healing/caring process and to support biodiversity
- Ø Support procurement of sustainable goods and services Ø Reduce pollution resulting from the Board's activities
- Ø Promote more environmentally sustainable methods of accessing health care, such as active travel and public transport

An assessment of each Board's progress against the aims of DL38 will form part of each NHS Scotland body's annual ministerial review. Each NHS Scotland body must publish a report on its public website by November each year summarising its progress against the aims of DL38 using a template approved by the SGHSC. This report is in addition to existing annual climate change reporting and the National Sustainability Assessment that is carried out annually by all NHS Scotland Boards.

Key Issues and Risks

The Recovery Scorecard was initially developed to support the Health Board to fulfil its responsibility in respect of effective monitoring of performance. Following a planned review in August 2021 the revised Recovery & Performance Scorecard was endorsed by the Performance & Resources Committee on 31 August 2021 ahead of presentation to the Health Board in September 2021 for approval. Internal Audit provided a number of suggestions to consider in terms of the scorecard review. All points were considered with a number adopted or adapted for inclusion.

The Recovery & Performance Scorecard considers the System-Wide Remobilisation

Plan which sets out

[4] https://www.sehd.scot.nhs.uk/dl/DL(2021)38.pdf

how NHS Forth Valley safely continues the resumption of services whilst taking account of the different ways in which we have been working during the pandemic and considers the ongoing impact as we move forward. Additionally, there is a focus on establishing more of a 'norm' going forward with the inclusion of monthly key performance measures. The previously reported eight key standards that are most important to patients have been included within the Key Performance Measures; 31-day and 62-day cancer targets, 12-week outpatient target, Diagnostics, 12-week treatment time guarantee, access to Psychological Therapies, access to Child & Adolescent Mental Health Services and Accident & Emergency 4-hour wait.

The scorecard has been split into Recovery Measures, Key Performance Measures, and Response Measures with associated graphs/run charts where relevant. The scorecard format has been developed to provide a comprehensive 'at a glance' view of measures with the graphs and key performance issues narrative linked. The Scorecard is reviewed on a weekly basis and is presented to the Health Board and Performance & Resources Committee on a monthly basis. In year we have also invested in our Pentana Risk performance system and are in the process of developing 'dashboards' for all of our Assurance Committees.

The Recovery & Performance Scorecard presented to the March 2022 NHS Board provides detail of the measures, graphs and supporting narrative regularly reported[5].

Looking ahead to 2022/23 we remain committed to continuing to deliver high quality and positive health and care outcomes for the people of Forth Valley. Widespread service stabilisation, reform and transformation is not without risk and we acknowledge the challenges as we balance our ongoing response to Covid-19 surges with its legacy of long waits and widening inequalities.

In response, NHS Forth Valley has made a number of major investments to increase capacity and build more sustainable services. This includes investment in Hospital at Home, urgent care, stroke, outpatient, theatre and inpatient capacity and our plans to recruit additional new staff to support these service developments are ongoing. We have received significant additional funding to improve Psychological Therapy and Child & Adolescent Mental Health Services and the Health Board has made the decision to invest recurringly in new ways of working, including new posts to tackle long waits due to the pandemic.

As we look to the future, population health, primary care, and staff wellbeing will continue to be centre stage as we continue to support reform and transformation of services in order to recover and stabilise from the legacy of this pandemic. Clinical priorities will guide our decisions as we continue to ensure that those patients with more serious or urgent health care needs are seen and treated as quickly as possible. Preventing, treating, and supporting people living with ongoing effects of Covid-19 and the ongoing roll out of our vaccination programmes remain key priorities.

We are also committed to an 'anchor approach' which involves working with our partners and to make best use of our considerable collective skills and resources and buying power to help support local economic development.

Covid-19 has helped us embed the use of technology across NHS Scotland and we continue to support the acceleration of digital services and innovation to improve patient outcomes and experiences, where appropriate.

The Health Board in May 2021 signaled a step change in our commitment to reform and transformation that looks to the future. Our step change was matched

with an ambitious investment programme that is intended to build sustainability in primary and community care, complete our redesign of urgent

[5] NHS-FV-Board-Meeting-Mar-29th-2022.pdf (nhsforthvalley.com)

care, and support new ways of working. The planned new National Treatment Centre in Forth Valley (anticipated for December 2022) will transform how we deliver a wide range of operations and procedures in the years to come.

During 2021 the Health Board approved investments in workforce which will support service sustainability and improved patient outcomes as we recover from the pandemic specifically in respect of Waiting Times, Hospital at Home, Stroke services and AHP Fasttrack.

Savings requirements for 2020/21 and 2021/22 financial years were £20.7m and £30.5m respectively. Savings were allocated to workstreams however the impact of Covid-19 meant that the recurring plans could not be fully delivered, which increases the financial challenge and savings requirement for 2022/23. It is recognised that the level and scale of financial challenge has increased over the course of the pandemic and a focused whole-systems approach is required to embed innovation, quality, and efficiency in delivering service plans aligned to recovery. During the latter half of 2021/22 a Strategic Cost Improvement Group was established to provide oversight and direction for the financial recovery process and development of savings plans. This has had input from Executive Leadership Team members and is supported by the Corporate Programme Management Office.

The strategic risk register includes a risk of maintaining financial sustainability, which is currently scored as very high. This reflects the significant and inherent uncertainty surrounding Covid funding, emerging non-pay inflationary pressures, the impact of increasing demand and unmet need, use of temporary staffing due to ongoing recruitment and retention challenges and the impact of the current economic climate.

The Board's Strategic Risk Register is regularly reviewed, updated, and presented to our Health Board along with details of the action being taken to mitigate these. Each strategic risk has been aligned to one of the standing assurance committees (Clinical Governance Committee; Performance & Resources Committee; Staff Governance Committee).

Board papers can be found here NHS-FV-Board-Meeting-Mar-29th-2022.pdf (nhsforthvalley.com)

Performance Report Approval

The Performance Report, comprising the Overview and Performance Analysis, is approved for issue.

Cathie Cowan
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Mrs Cathie Cowan Chief Executive

24 June 2022

FORTH VALLEY NHS BOARD
ANNUAL ACCOUNTS YEAR ENDED 31 MARCH 2022
ACCOUNTABILITY REPORT

1. CORPORATE GOVERNANCE

1.1 DIRECTORS' REPORT

Date of Issue
The Accountable Officer authorised these financial statements for issue on 24 June 2022.

Appointment of auditors
The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. John Cornett, Audit Director, Audit Scotland, was appointed by the Auditor General in January 2019. The general duties of the auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland, and approved by the Auditor General.

Board membership
Under the terms of the Scottish Health Plan, the Health Board is a Board of governance whose membership will be conditioned by the functions of the Board. Members of Health Boards are selected on the basis of their position or the particular expertise which enables them to contribute to the decision making process at a strategic level.

The Health Board has collective responsibility for the performance of the local NHS system as a whole, and reflects the partnership approach, which is essential to improving health and health care.

The members of the NHS Board who served during the year from 1st April 2021 to 31st March 2022 were as follows:

Non-Executive Members	
Ms Janie McCusker	Chair
Mr Martin Fairbairn	Non-Executive Director (from 7 December 2021) Non-Executive Director
Mr John Ford	Non-Executive Director
Mr Gordon Johnston	Non-Executive Director
Mr Stephen McAllister	Non-Executive Director
Dr Michele McClung	Non-Executive Director
Mr Allan Rennie	Non-Executive Director (from 18 October 2021) Non-Executive Director - Vice Chair
Mr John Stuart	
Mrs Julia Swan	

Local Authority Members	
Cllr Fiona Collie	Non-Executive Director
Cllr Susan McGill	Non-Executive Director
Cllr Les Sharp	Non-Executive Director

Advisory Committee Chairs / Employee Director

Mrs Kirstin Cassells	Non-Executive Director - Chair Area Clinical Forum
Mr Robert Clark	Non-Executive Director - Employee Director
Dr James King	Non-Executive Director (until 30 April 2021)

Executive Members	
Mrs Cathie Cowan	Chief Executive
Miss Linda Donaldson	Director of Human Resources
Dr Graham Foster	Director of Public Health and Strategic Planning Medical Director
Mr Andrew Murray	Director of Finance
Mr Scott Urquhart	Director of Nursing
Prof. Angela Wallace	

Statement of Board Members' Responsibilities

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the Health Board as at 31 March 2022 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for the NHS Scotland by Scottish Ministers.
- Make judgements and estimates that are reasonable and prudent.
- State where applicable accounting standards as set out in the Financial Reporting Manual have not been followed where the effect of the departure is material.
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Board will continue to operate.

The Health Board members are responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Board and enable them to ensure that the accounts comply with the National Health Service (Scotland) Act 1978 and the requirements of the Scottish Ministers. They are also responsible for safeguarding the assets of the Board and hence taking reasonable steps for the prevention of fraud and other irregularities.

The NHS Board members confirm they have discharged the above responsibilities during the financial year and in preparing the accounts.

Board members' and senior managers' interests

A full register of interests of Board members was updated in May 2022 and is available from the NHS Forth Valley website, at the following address: https://nhsforthvalley.com/about-us/board-matters/code-of-conduct/

Directors third party indemnity provisions

There have been no qualifying third party indemnity provisions in place for Directors at any time during the financial year.

Remuneration for Non audit work

During the year 2021/22 the Board's external auditors, Audit Scotland, undertook no non-audit work.

Information Commissioner (ICO) Reported Incidents

Details are provided within the Governance Statement (section 1.3 and Table 6), following this section.

Public Services Reform (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose duties on the Scottish Government and listed public bodies to publish

information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year.

Forth Valley NHS Board fully meets the requirements of the Public Services Reform (Scotland) Act 2010 and disclosure details can be found at the following web-link: http://www.nhsforthvalley.com/publications/financial-information

Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Board's auditors are unaware; and each Director has taken all the steps that he/she ought reasonably to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

FORTH VALLEY NHS BOARD
ANNUAL ACCOUNTS YEAR ENDED 31 MARCH 2022
ACCOUNTABILITY REPORT

1.2 STATEMENT OF ACCOUNTABLE OFFICER'S RESPONSIBILITIES

Under Section 15 of the Public Finance and Accountability (Scotland) Act, 2000, The Principal Accountable Officer (PAO) of the Scottish Government has appointed me as Accountable Officer of Forth Valley NHS Board.

This designation carries with it, responsibility for:

- the propriety and regularity of financial transactions under my control;
- the economical, efficient and effective use of resources placed at the Board's disposal and • safeguarding the assets of the Board.

In preparing the Accounts I am required to comply with the requirements of the Government's Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Scottish Ministers including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government's Financial Reporting Manual have been followed and disclose and explain any material departures; and
- prepare the accounts on a going concern basis.

I confirm that the Annual Report and Accounts as a whole are fair, balanced, and reasonable and the judgements required for that is fair, balanced, and understandable.

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as accountable officer as intimated in the Departmental Accountable Officers letter to me on 16 November 2017.

FORTH VALLEY NHS BOARD
ANNUAL ACCOUNTS YEAR ENDED 31 MARCH 2022
ACCOUNTABILITY REPORT

1.3 GOVERNANCE STATEMENT

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with Forth Valley NHS Board's policies and promotes achievement of the organisation's aims and objectives, including those set by Scottish Ministers. In pursuing a Health Board that is performing to a high standard, I am mindful of ensuring that the best interests of patients are central to all that we do. I am also responsible for safeguarding the public funds and assets assigned to Forth Valley NHS Board.

I confirm that NHS Forth Valley is compliant with the aspects of the Scottish Public Finance Manual (SPFM) which are set out within the guidance issued to Chief Executives and more generally to all Board members by the Scottish Government Health Directorates as being applicable to NHS Boards.

In terms of enabling me to discharge my responsibilities as Accountable Officer, the following arrangements and processes have been in place throughout the financial year to manage risk within the organisation:

- A Board which meets regularly to consider the plans and strategic direction of the organisation and approve decisions in line with the Scheme of Delegation. The Board comprises the Executive members of the organisation and Non-Executive members.
- A single system of governance and risk management arrangements with clear supporting lines of accountability and agreed Scheme of Delegation, Standing Financial Instructions and Standing Orders.
- The consideration by the Board of minutes and reports from Performance & Resources (including Information Governance), Staff Governance, Clinical Governance, Remuneration and Audit and Risk Committees, concerning any significant matters on governance, risk, and internal controls.
- Prioritisation of risks and allocation of responsibility for mitigating action to named senior officers.
- A focus on Best Value and a commitment to ensuring that resources are used efficiently, effectively, and economically taking into consideration equal opportunities and sustainable development requirements.

Purpose of Internal Control

The Health Board has a corporate responsibility for ensuring that arrangements are in place for the conduct of its affairs, including compliance with applicable guidance and legislation, and ensuring that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Health Board has an ongoing responsibility to ensure that it monitors the adequacy and effectiveness of these arrangements in place. The system of internal control is based on an ongoing process designed to identify, prioritise and manage the principal risks facing Forth Valley NHS Board. The system aims to evaluate the nature and extent of risks, and manage risks efficiently, effectively and economically.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance. The process within Forth Valley NHS Board accords with guidance from Scottish Ministers in the Scottish

Public Finance Manual (SPFM) and supplementary NHS guidance, and has been in place for the year up to the date of approval of the annual report and accounts.

The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.

Functions of the Health Board

An effective Health Board articulates an ambition for their organisation whilst managing the risk contained within that ambition and demonstrating leadership by undertaking three key roles:

- Formulating strategy and setting direction including the development of an Annual Operational Plan
- Ensuring commitment and accountability by holding the organisation to account for performance and the delivery of both improvement in population health/addressing health inequalities and individual experience of care whilst operating within a context of affordability and sustainability
- Shaping a positive culture that is open, just and fair, for the Health Board and the wider organisation

Responsibilities of Members of the Board

Membership of Forth Valley NHS Board carries with it a collective and corporate responsibility for the discharge of these functions. All members are expected to bring an impartial judgement to bear on issues of strategy, performance management, key appointments and accountability, upwards to Scottish Ministers and outwards to its partners and wider local community.It is the duty of the Chair and me as Chief Executive to ensure that Board Members and staff understand their responsibilities.
Board Members and Managers receive an updated copy of the Code of Corporate Governance annually. The Code of Corporate Governance is kept under review and amended as necessary to reflect current policy and guidance, and the work nationally to improve and standardise governance across NHS Scotland. The Board Secretary maintains a list of managers to whom the Code of Corporate Governance has been issued. Managers are responsible for ensuring their staff understand their own responsibilities.

The Health Board has governance arrangements in place which provide an integrated approach to governance across clinical areas, staff arrangements, involving and engaging people in our service, developments, and performance management. The conduct and proceedings of the NHS Board are set out in its Code of Corporate Governance; this document specifies the matters which are solely reserved for the NHS Board to determine, the matters which are delegated under the Scheme of Delegation and the matters which are remitted to a Standing Committee of the NHS Board. The Code of Corporate Governance also includes the Code of Conduct that Board members must comply with, along with the Standing Financial Instructions. These documents are the focus of the NHS Board's Annual Review of governance arrangements. The NHS Forth Valley NHS Board reviews and approves the Code of Corporate Governance each year. The Standing Orders are made in accordance with The Health Boards (Membership and Procedure) (Scotland) Regulations 2001.

The Non-Executive members provide constructive scrutiny and challenge, and this is evidenced in minutes of Health Board and Board Assurance meetings. In addition to the Code of Conduct for Members, the NHS Board has set Corporate Objectives. All Health Board Executive directors review their development needs as part of the annual performance management and development process.

Governance Framework

The NHS Board is responsible for the strategic leadership and governance for the NHS system across Forth Valley. The NHS Board is managed by a Board of Executive and Non-Executive Directors and is accountable to the Scottish Government through the Cabinet Secretary for Health and Social Care.

The Chair and Non-Executive Directors are appointed by the Cabinet Secretary based on the expertise

and skills required to contribute to local strategic decision making processes. There is an induction process in place for all new Board members which includes meeting key members of staff and attendance at bi-monthly briefing sessions on key strategic issues. Non-Executive members receive an annual performance appraisal and opportunities for training are made available through follow up with individual Directors as appropriate.

The Board and its six standing Governance Committees meet throughout the year to consider issues within their remit including governance, performance, and the management of risk.

Change to Board Operating Arrangements: COVID-19

NHS Forth Valley, in response to Covid-19, reviewed its governance arrangements in line with the letter received from the Scottish Government in March 2020. New arrangements were put in place and these interim arrangements, which were set out in a paper to our March 2020 NHS Board, aimed to:

- enable the Board to effectively discharge its governance responsibilities during this pandemic and, deal with any necessary legislative or regulatory aspects of business
- provide assurance that plans were being developed in line with national direction and that resources were being deployed effectively
- maximise the time available for management and operational staff to respond to Covid-19 • minimise the need for people to physically attend meetings seek assurance through the fortnightly Chair, Vice Chair and Assurance Committee Chairs meetings

These arrangements were reviewed in June 2020 and then at subsequent meetings of the NHS Board. All Assurance Committees, including Audit and Remuneration, met prior to the end of December 2020 with a revised programme of meetings in place to the end of March 2021. The regular programme of formal meetings resumed from April 2021, with the NHS Board meeting every two months. Two special Boards were held in 2021 with a programme of Board Seminars or development sessions scheduled throughout the year.

NHS Board Issues

Significant topics discussed during the year at the Board and at Governance Committees included:

- Forth Valley System-Wide Remobilisation Plan
- Remobilise, Recover, Redesign – Investing in Health & Care • Remuneration Committee Update
- Healthcare Associated Infection Reporting Template • Recovery & Performance Scorecard
- Finance Report
- External Review – Culture and Governance, Emergency Department • Equality and Inclusion Strategy
- Quality Strategy
- NHS Forth Valley Major Incident Plan • Strategic Risk Register
- Pandemic Update
- Whistle Blowing Standards
- Communication Update Report
- NHS Forth Valley's Annual Report Summary 2020/2021 • Health and Safety Strategy & Governance Framework • Code of Corporate

Governance

- ED Action Plan
- Blueprint for Good Governance Update
- Nursing & Midwifery Strategy and

Annual Report • ED Improvement

Implementation Plan Costs

- Regional Health Protection Service
- Clackmannanshire & Stirling HSCP Annual Performance Report
- Falkirk HSCP Annual Performance Report
- Workforce Update
- Best Value
- Whistleblowing Standards

Details of the Governance Committees including their functions are set out below.

- Audit and Risk Committee

An effective Audit and Risk Committee is essential to a strong corporate governance culture within the NHS Board. The Committee requires to have effective communication with all key stakeholders including Internal Audit, External Audit, and other relevant assurance providers.

The duties of the Audit and Risk Committee are set out in the NHS Board Standing Orders and in the Scottish Government's Audit and Assurance Committee Handbook. The key purpose of the Committee is to provide assurance that:

- NHS Board activities are within the law and regulations governing the NHSThe NHS Board maintains an effective system of internal control to give reasonable assurance that assets are safeguarded, waste or inefficiency avoided, reliable financial information produced, and value for money continuously sought.

The effectiveness of internal controls is assessed by internal audit through reporting and follow up procedures, and a robust risk management programme is in place to identify and manage organisational risks.

The Audit and Risk Committee has a responsibility for reviewing the disclosures included in the Board's Annual Governance Statement. The Committee has commissioned Assurance Mapping work from Internal Audit and Board officers as part of its ongoing consideration of how best to provide assurance on key risks and controls. This work has been undertaken focussing initially on the Performance & Resources Committee. An assurance and work plan has been developed in the Pentana Risk performance system and captures key information that supports the provision of assurance to the committee linking the level of assurance, risks and any financial, workforce, sustainability, infrastructure, and quality/patient care implications. It is anticipated that once this approach is established it will be adopted by the NHS Board standing committees, the Executive Leadership Team, and the Corporate Management Team.

Internal and External Audit colleagues usually attend the Audit & Risk Committee. In addition, service managers and Directors regularly attend to provide information and assurance and to participate in discussions.

- Clinical Governance Committee

The Clinical Governance Committee is responsible for providing the NHS Board, patients, and the public with assurance, that the framework, systems, and processes to deliver Clinical Governance and Clinical Risk Management are robust and working effectively to deliver the highest standards of healthcare, including health improvement and health protection activities.

The Clinical Governance Committee fulfils its purpose by receiving and considering information, reports, and documents on Complaints Performance, Clinical Risk, Significant Adverse Events, and Standards and Review Reports. The Committee reviews relevant risks and adverse events.

The Committee considered both routine and specific work areas during the financial year 2021/22 however there was a focus on the COVID-19 pandemic and its impact on Clinical Governance. The

meeting agendas were structured following the Vincent Framework[6] and carried into the meeting agendas throughout the year to demonstrably provide assurance of safe care.

- Endowment Committee

The purpose of the Endowment Committee is to ensure that Endowment Funds held in trust comply with the relevant laws and regulations and that an effective system of financial control is in place. In so far as they are able, the Committee administers the Endowment Funds in accordance with the wishes of donors.

The External Auditors to the Endowment Fund are Dickson Middleton & Co. Chartered Accountants. In 2021/2022, the Committee received satisfactory reports from External Audit confirming that the financial statements and the administration of the Endowment Funds complied with Charity Law and Accounting Standards.

The Committee received a satisfactory report from Internal Audit during 2019/20 that examined the design and operation of controls within the Endowment Fund's Fundraising Policy. The audit findings concluded there was an adequate framework of key controls with three minor recommendations. Two of the recommendations were implemented in 2019/20 and the third recommendation to update and revise the Endowment Fund's Fundraising Strategy has been implemented during 2020/21. The report also concluded that the Endowment Fund is managed within prescribed frameworks and that associated risks are monitored at the appropriate forums.

- Performance and Resources Committee

The Performance and Resources Committee has a key role on behalf of the Board to scrutinise financial and operational performance and to establish that corrective actions are taken accordingly. The committee ensures the production of an Annual Plan, incorporating the Board's Financial Plan, Capital Plan and Annual Operational Plan, setting out the overall direction for the year for Board approval, and ensures actions are in place to support the delivery of the plan. In addition, the committee ensures that the NHS Forth Valley delivers its statutory obligation to comply with information governance and General Data Protection Regulation and maintains an overview of the work to deliver improvements in Information Governance ensuring appropriate prioritisation of this work.

Throughout 2021/2022 the Performance & Resources Committee directed the production and delivery of Remobilisation Plan 3 and Remobilisation Plan 4. A number of presentations were received focussing on areas of concern that were based on services where there were performance issues or challenges. This provided the committee with an opportunity to understand some of the complexities involved in delivery of services and the challenges faced whilst ensuring that all avenues were being pursued in respect of the management of risks and improved performance.

- Pharmacy Practices Committee

The role of the Pharmacy Practices Committee is to consider, determine and approve or reject applications for inclusion in the Pharmaceutical List in accordance with the NHS (Pharmaceutical Services) (Scotland) Regulations 2009 and the NHS (Pharmaceutical Services) (Scotland) Amendment Regulations 2011 and 2014. The Committee meets as required on receipt of applications.

As no applications were received there were no meetings of the Pharmacy Practices Committee in 2021/22.

- Staff Governance Committee

The Staff Governance Committee is responsible for providing assurance to the

Board that staff are appropriately trained to deliver high quality patient care, built upon partnership and integration, and

[6] https://www.health.org.uk/publications/the-measurement-and-monitoring-of-safety

that an appropriate approach is in place to deal with staff risk management across the system including health and safety. The Committee review relevant risks and adverse events.

The Area Partnership Forum has the role of overseeing implementation of the Staff Governance Standard and specifically Health and Safety. Activities and issues are reported to the Staff Governance Committee.

The Committee considered both routine and specific work areas during the financial year 2021/22 however focus remained on the Covid-19 Pandemic and the Staff Wellbeing agenda.

Corporate Governance

Following the publication of DL (2019)02 to NHS Scotland Health Boards and Special Health Boards – Blueprint for Good Governance, a self-assessment was undertaken by NHS Forth Valley Board members to understand good practice and areas for further development. As required, the Blueprint Self-Assessment report and Improvement Plan were submitted to the Cabinet Secretary at the end of April 2019. An Improvement Plan was approved which set out the areas identified by NHS Board members where there were opportunities for further development in line the five functions of the Governance System; Setting the Direction, Holding to Account, Assessing Risk, Engaging Stakeholders and Influencing Culture. An update, including the Governance Improvement Plan, was presented to the NHS Board in September 2021 and January 2022[7] to assure the NHS Board that work is continuing to fulfil its requirements in relation to Active Governance which comprises of 2 linked components: the development of a Board Assurance Framework which will reinforce strategic focus and better management of risk by providing the necessary information (as described above) to assist NHS Boards obtain assurance, and a development programme for NHS Board members to ensure that all members can engage with the information and make informed decisions not only in regard to what is happening in our NHS Board but also have a regard to the wider strategic and policy context in which our NHS Board operates within.

In November 2021, NHS Forth Valley participated in a Seminar as part of the national Board development on active governance which aims to improve how data is prepared, presented and how insights from intelligence are used to assure the quality and performance of the delivery of health and social care services to the people of Scotland. Active Governance is a key element of the implementation for the NHS Scotland Blueprint for Good Governance.

The NHS Forth Valley's Code of Corporate Governance was initially presented to the NHS Board in September 2021 as a consolidation of a number of existing documents that determine the overall control systems in place for the NHS Board as it conducts its daily business. Following discussion and feedback the final version was presented to the NHS Board on 30 November 2021. NHS Forth Valley's Code of Corporate Governance is based on the principles of the UK Corporate Governance Code. The main principle of the code is that every institution should be headed by an effective Board, which is collectively responsible for the success of the organisation. A full review was undertaken in March 2022 and approved by the NHS Board[8].

At the NHS Board meeting in May 2021 changes to the Remuneration Committee Terms of Reference were approved[9]. The Staff Governance Framework (4th Edition) identifies that the Remuneration Committee should be a committee of the NHS Board. The Remuneration Committee was previously a sub-committee of the Staff Governance Committee.

In June 2022, the NHS Board is expected to review 2021/22 assurance

committees' performance by way of presentation and receipt of Annual Reports, drafted and approved by the respective committee.

[7] NHS-FV-Board-Meeting-Jan-25th-2022.pdf (nhsforthvalley.com) [8] NHS-FV-Board-Meeting-Mar-29th-2022.pdf (nhsforthvalley.com)
[9] NHS-Forth-Valley-Board-Meeting-Papers-25-May-2021.pdf (nhsforthvalley.com)

The annual reports of the assurance committees confirm compliance with their annual work plans and the fulfilment of their roles and remits. Assurance Committee annual reports are an opportunity to reflect on the year just gone and are used to consider overall progress and key issues going forward.

Policies and Procedures

The Board Standing Orders, including the Scheme of Delegation and Standing Financial Instructions, detail the governance arrangements under which the Board operates; the decisions retained for the Board; and the remits and proceedings of the Board sub-committees. The Standing Orders are reviewed, updated and presented for approval annually to the NHS Board.

There is a process in place for the March Audit and Risk Committee to consider changes and updates to the Standing Orders and SFIs, prior to approval at the March NHS Board. At the Board meeting on 29 March 2022 the model Standing Orders, together with the Standing Financial Instructions as presented in the Code of Corporate Governance were approved.

All members of staff are responsible for compliance with relevant laws and regulations set out within the Standing Orders and other organisational policies. Organisational policies are reviewed regularly and are made available for access through the staff intranet site. SGHSCD guidance documentation is logged and distributed internally for action and follow up by named individuals.

Staff Governance

Throughout 2021/2022, NHS Forth Valley staff continued to display strength, compassion, and innovation in response to the pandemic. Despite the many challenges they faced both in and out of work staff have gone above and beyond to support patients, colleagues and the wider Forth Valley community including colleagues from SERCO. From March 2020 a range of initiatives and supports were put in place to ensure options were made available to staff to maximise their wellbeing during the pandemic. NHS Forth Valley has developed and implemented Staff Support and Wellbeing initiatives in line with national guidance. Support has continued to be provided to staff at work, to staff self-isolating, to enable home working and to those staff returning from a prolonged period of shielding.

The Business Code of Conduct Policy describes the minimum standards of conduct expected from all staff. The policy details the Board's regulations on a range of issues including gifts, hospitality, outside interests and secondary employment, and contains specific information on purchasing goods and services, contracting, whistle-blowing and contact with the media.

There is a clear mechanism in place to enable employee concerns to be dealt with quickly and effectively (Managing Employee Concerns Policy). The Area Partnership Agreement outlines the roles, responsibilities and behaviours of Forth Valley NHS Board, managers, employees and staff representatives. The Area Partnership Forum and Local Partnership fora aim to develop and promote a blame free culture which enables all employees to raise individual and collective concerns and to have these dealt with in a proactive, non-threatening way.

A Speak Up service has been introduced in NHS Forth Valley to support staff to raise any concerns in the workplace. This initiative has featured in and been supported by the work of the Area Partnership Forum and Area Clinical Forum during 2021 programmes of work. The service aims to ensure staff are heard and to make it easier to raise concerns. It is open to all NHS Forth Valley employees. To support the new service, two Speak Up Ambassadors and several Speak Up Advocates, have been appointed to provide guidance and support.

The National Whistleblowing Standards came into effect across NHS Scotland on 1 April 2021. Mr Gordon Johnstone, Non-Executive Board Member, had been appointed as the Whistleblowing Champion for NHS Forth Valley. The role of the Whistleblowing Champion is to further promote a culture of openness and transparency in NHS Scotland, and to seek and provide assurance that Boards

are complying with Whistleblowing Standards. Two online training modules, one for staff and one for managers are available on Turas Learn. The Whistleblowing Standards also cover GP's and other contractors. An update on the implementation of the Whistleblowing Standards and the Whistleblowing activity in NHS Forth Valley is presented to the NHS Board on a quarterly basis[10].

Information Governance

The Board's Information Governance Strategy 2016/2021 sets out the roles and responsibilities of key individuals and Committees in ensuring the necessary safeguards for appropriate use of patient and personal information. The strategy is underpinned by a comprehensive set of policies, procedures and protocols which are available to all staff on the intranet site. The Strategy, due to be refreshed, remains extant. The Strategy refresh is included in the Information Governance workplan for 2021/2022 with this work currently underway. Policies in respect of Movable Media Acceptable Use, Internet Acceptable Use, Cryptographic Controls, Password and Principles of Audit Trails were reviewed in 2021.

During 2021, the Corporate Record Management team continued to establish itself as the primary point of contact for records management advice, support and help for staff within NHS Forth Valley. This includes ensuring that all corporate records are created, used, managed, stored and disposed of throughout their lifecycle, regardless of their age or format and in accordance with our legal and statutory obligations, and business requirements. The Digital Preservation Policy and Selection, Appraisal and Transfer to Archive Policy are pending approval. These policies will enable NHS Forth Valley to meet its obligations under the Public Records (Scotland) Act 2011 to identify and transfer material of ongoing historical and research importance to the permanent place of deposit at the University of Stirling Archives. The policies include the transfer of born digital and digitised records

The Medical Director / Caldicott Guardian is responsible to the Board and Chief Executive in relation to Information Governance and has a key role overseeing internal advice on legislation and confidentiality. The Director of Finance is the Senior Information Risk Owner for the Board. The Information Governance Group reports to the Performance & Resources Committee in its role to ensure NHS Forth Valley delivers its statutory obligation to comply with information governance, the Data Protection Act 2018; the UK General Data Protection Regulations; the Network and Information Security regulations 2018; the Freedom of Information (Scotland) Act 2002 and; maintain an overview of the work to deliver improvements in Information Governance ensuring appropriate prioritisation of this work.

An Internal Audit report on Information Governance A29/20 highlighted actions required to further progress delivery of national information governance standards particularly in relation to General Data Protection Requirements and the development of an Information Asset Register. The Board approved additional resources to support this work and additional staff have been recruited in line with the action plan which was agreed with Audit and Risk Committee to address the issues highlighted. Minutes of the Information Governance Group are presented to the Performance & Resources Committee.

The Information Governance 2021/2022 Annual Report presented to the Performance & Resources Committee in March 2022 highlighted the breadth of work undertaken by the Information Governance Team.

The risk that NHS Forth Valley will fail to meet and maintain its Information Governance obligations including UK General Data Protection Regulations (GDPR) remains on the Strategic Risk Register. Cyber Resilience has been included as a

new and distinct risk.

Information Commissioner (ICO) Reported Incidents

[10] NHS-FV-Board-Meeting-Mar-29th-2022.pdf (nhsforthvalley.com)

As detailed in table 7, the number of incidents reported to the ICO in 2021 decreased by two compared to the previous year, and the total number of complaints increased by one. The Data Protection Team dealt with 20 enquiries under the Data Protection Rights (e.g., rectification or objection to processing), a rise of seven on the previous year.

Out of the nine reported ICO incidents, six related to incidents reported by NHS Forth Valley on behalf of GP Practices or involved another non-NHS party e.g., school.

Table 7: Information Commissioner Reported Incident 2021/2022

ICO Reported Incidents	***2019***	***2020***	***2021***
ICO Incidents / Complaints			
Data Protection	***11***	***11***	***9***
Complaints / Confidentiality	***3***	***3***	***4***
Data Protection Subject Rights	***3***	***13***	***20***

Communication

Members of the public are informed of key service developments and changes via a range of sources including the Board public website, news briefs and social media updates. The Board works closely with key partner organisations to promote stakeholder involvement in the design and delivery of local services and to ensure key health information and messages reach as many people as possible. The Board Communications Strategy 2018-2021 sets out key communications aims, principles and priorities. The current strategy remains extant. The Strategy refresh is included in the Communication Department workplan for 2021/2022 with this work currently underway. The Media and Communications Policy and the Social Media Policy are in place to support the strategy.

NHS Boards are no longer required to produce a formal Annual Report as much of the financial and performance information previously included is now available in other reports and publications. However, NHS Forth Valley has continued to produce a short summary report[11] to highlight key service developments, achievements, activity and performance during the year. This was presented to the NHS Board in July 2021 and was made available online and promoted via social media.

There are robust procedures in place for recording and investigating complaints in line with national guidance, to allow members of the public to make a complaint or comment regarding their care or treatment. Routine reporting on complaints and response times is in place to ensure learning from events is maximised at both operational and strategic level. The Clinical Governance Committee, which includes lay patient representation, maintains an overview of the Complaints Handling Procedure process.

Health & Safety

The appointment of a new Head of Health and Safety for NHS Forth Valley was made in March 2021. The Health and Safety Strategy and Governance Framework was approved by NHS Forth Valley Board in September 2021. The

document describes NHS Forth Valley's governance framework for Health & Safety and the key objectives which will constitute the focus of the three-year strategy. An audit programme of the health and safety control books was implemented as part of the strategy programme of works.

Health and Social Care Partnerships

[11] NHS-Forth-Valley-Board-Meeting-Papers-27-July-2021.pdf (nhsforthvalley.com) 34

Two Health and Social Care Partnerships within Forth Valley (Falkirk / Clackmannanshire & Stirling) were formally constituted as Integration Joint Boards (IJBs) in 2015/16.

Both IJBs have Integration Schemes which set out responsibilities, governance arrangements and delegated services. IJB Strategic Plans remain in place with describe how services will be delivered over the three years 2019-2022. IJB meetings papers are publicly available via the NHS Board website for both Partnerships and Information on IJBs can be accessed from the Board's website[12].

The Board's primary financial statements reflect the Board's interest in the IJBs. This information has been sourced from draft IJB financial statements and is presented on Note 26 Consolidation of Subsidiaries and Disclosure of Interest in Associates and Joint Ventures. IJB Annual Accounts remain subject to External Audit review. An exercise to review and update delegated budgets for Set Aside functions was undertaken during the year with recommendations approved through the Systems Leadership Team.

Partnership working has been critical in responding effectively to the COVID-19 pandemic and work is ongoing to further develop opportunities for service improvement and to maximise benefits of integration.

Best Value

In accordance with the principles of Best Value, the Board aims to embed quality at all levels throughout the organisation using models of continuous improvement, the ethos being quality is everyone's business with the links between frontline services to the Board. As part of this, Directors and managers are encouraged to review, identify, and improve the efficient and effective use of resources. I can confirm that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual. An updated paper on the Best Value framework and supporting evidence was presented to the Audit and Risk Committee on 21 January 2022, providing a summary of arrangements in place and an update on activity. The Framework is intended to illustrate the arrangements by which the Board of NHS Forth Valley ensures it can demonstrate continuous improvement in performance whilst maintaining a balance between quality and cost. In making these arrangements and securing the balance the NHS Board has had regard to the economy, efficiency, effectiveness, equal opportunities, and sustainability. The NHS Board was asked to consider the Best Value Framework on 25 January 2022.

Review of Performance

The Annual Review of 2020-21 was held via video conference on Wednesday 27 April 2022, chaired by Maree Todd, Minister for Public Health, Women's Health and Sport supported by Caroline Lamb, Chief Executive of NHS Scotland and Director General for Health and Social Care. The meeting was attended by Janie McCusker, Chair, NHS Forth Valley and Cathie Cowan, Chief Executive, NHS Forth Valley. The agenda was split into two sections: look back - pandemic experience to date, reflecting on the initial phases of response, whole system working and the impact on workforce, performance, and finance; and, forward look, reviewing key planning issues for the remainder of 2022/2023 in line with remobilisation plans.

A letter summarising the key points raised is anticipated however is yet to be received. This will be presented to the NHS Board and will be published on the NHS Forth Valley website.

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the adequacy and effectiveness of the system of internal control. My review is informed by:

Ø Executive Directors and Senior Managers who are responsible for developing, implementing

[12] http://nhsforthvalley.com/about-us/health-and-social-care-integration/

and maintaining internal controls across their areas.

- Ø Work of the internal auditors, who submit to the Audit and Risk Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, control, and governance processes, together with recommendations for improvement.
- Ø Comments made by the external auditors in their management letters and other reports.

Executive Directors and Senior Managers have provided me with formal written assurance and have confirmed that there are no known control issues, nor breaches of Standing Orders / Standing Financial Instructions other than the issues detailed below:

An initial timetable to inform a refresh of our Healthcare Strategy has been set out and approved by the NHS Board. It was anticipated that the revised Strategy, aligned to programme for Government priorities and covering the period 2021 to 2026 would be presented to the NHS Board in November 2021. System pressures and Covid-19 escalation have impacted on our ability to progress this work however a stocktake of the extant Healthcare Strategy has been complete and shared with Corporate Management Team and a strategy working group has been established. A preparatory Stakeholder Event meeting involving HIS took place on 30 November 2021. A staff event initially planned for March 2022 will now take place in June 2022.

In maintaining the effectiveness of the system of internal control a draft report on the Board Standing Orders, including the Scheme of Delegation, the Standing Financial Instructions, and Decisions reserved by the Board, was approved at the Board Meeting on 29 March 2022 as detailed in the Code of Corporate Governance.

The Internal audit Internal Control Evaluation (ICE) report was issued on 18 January 2022 and the Chief Internal Auditor presented the findings to the 21 January 2022 Audit and Risk Committee.

The Internal Control Evaluation work was informed by detailed review of formal evidence sources including Board, Standing Committee, System Leadership Team, and other papers. Internal Audit opinions were also informed by regular meetings with Directors and other senior officers and through fieldwork undertaken for specific audits during the year. The review evaluates whether the basic building blocks of a sound system of control, such as governance structures, strategies and monitoring mechanisms were in place and, where possible, considered available metrics to provide an assessment of whether these systems are operating as intended.

Audit programmes were adjusted both to understand and to reflect the impact of the Covid-19 Pandemic on governance, risk, and operational activity. The ICE 2021/2022 contains 12 recommendations, intended to embed good governance principles and to ensure coherence between Governance Structures, Performance Management, Risk Management and Assurance. It was acknowledged that whilst this appears to be a large number of recommendations given the overall positive conclusion, these recommendations are primarily suggestions to enhance governance improvement activities already underway within NHS Forth Valley.

Management provided responses to address 12 recommendations, to be completed in 2022/23, centred on:

- Strategic risk linkage to Board and Assurance Committee papers and assurance mapping
- Risk escalation

- Clinical governance and scheduled care risk
- Clinical Governance Committee forward planner linkage to terms of reference • Staff governance and workforce risk
- Staff Governance Standards and assurance reporting • Property Asset Management Strategy

- Information Governance and security reporting

The significant Risks highlighted in the ICE Report and progress is noted as:

- Risk Management

The risk section of Board and Committee papers should be given higher priority than at present and should contain basic information to facilitate a focused discussion on the risk implications. As part of the Governance & Assurance work being undertaken in NHS Forth Valley, the Board and Assurance Committee Paper Template has been reviewed with the aim of capturing the key elements that are required to help provide a picture, and evidence of, the agreed level of assurance. A number of additions or changes have been made to enhance the paper with cognisance taken of the Scottish Government Model Board Paper Template along with guidance notes, with authors being asked to take cognisance of the general risk questions when drafting papers.

- Scheduled Care

It is vital that that the Clinical Governance Committee understands the full set of risks associated with Scheduled Care and is assured around the operation of all key controls, including those relating to the risks caused by deferred treatment and extended waiting times. The strategic risk relating to scheduled care has been reviewed to ensure that potential issues in respect of harm are highlighted. Further work needs to be carried out to ensure the complexities of the risk and appropriate actions are captured. The Corporate Risk Manager is in the process of scheduling a series of Assurance Committee deep-dives in relation to strategic risks to support understanding and scrutiny.

- Risk Escalation

When a risk is escalated through clinical governance structures, the relevant committee should consider whether the risk needs to be recorded as a strategic or operational level risk. Report authors should clearly recommend recording of a risk where required. The Corporate Risk Manager is on the Clinical Governance Working Group and is fully sighted on the risks included in the Safety & Assurance Report and advises the Clinical Governance Working Group regarding escalation to strategic or operational risk registers. This is taken forward in conjunction with the Head of Clinical Governance.

- Information Governance & Security Assurance Reporting

Internal Audit Organisational Response to External Reports, recommended a review of the reporting structures and remits of the Information Security Group, Information Governance Group and Performance & Resources Committee. The routine reporting to the Performance & Resources Committee includes commentary in terms of assurance on the affordability of the current year Digital & eHealth plan. Along with the Annual Report, Information Governance Group Minutes are presented to the Performance & Resources Committee. A Network and Information Systems Regulations report was presented to the Performance & Resources Committee in January 2022. Regular reporting to be established with agreement required in respect of the regularity of this reporting.

- Information Governance Incident Management

Regular reporting to Performance & Resources Committee on the management of Information Governance related incidents should be introduced and should, as a minimum. This information is contained within the Information Governance Group minutes now presented to the Performance & Resources Committee and should be contained in any Information Governance assurance reporting to committee e.g., Information Governance Annual report. Minutes are scheduled on the annual forward planner.

The final Internal Control Evaluation report was presented to the Staff Governance

Committee, Clinical Governance Committee and Performance & Resources Committee in 2021/2022.

The Annual Internal Audit Report 2021/22 provides assurance on the Board's internal control framework and provided an update on action to address the ICE recommendations. Their update

concludes that the Board has adequate and effective controls in place and that the 2021/22 internal audit plan has been delivered in line with Public Sector Internal Audit Standards

In addition, Annual Service Audit Reports are commissioned by NHS National Services Scotland (NSS) to provide assurance to NHS Boards in respect of national payment arrangements for Family Health Service (FHS) contractors and various shared IT systems that are managed on behalf of NHS Scotland by NSS (including Atos, NSS digital and IT security support services). Similarly, NHS Ayrshire and Arran provide an annual service audit in respect of their management of the National Single Instance financial ledger service on behalf of all NHS Boards.

For the year 2021/22, the Service Audit reports in relation to all shared services and payment arrangements for FHS contractors were unqualified and were prepared in accordance with the standards and approach defined in the International Standard on Assurance Engagements 3402 (ISAE 3402) "Assurance Reports on Controls at a Service Organisation" issued by the International Auditing and Assurance Standards Board ("IAASB"). Whilst all reports provided an unqualified audit opinion, an emphasis of matter disclosure was included in the report relating to the payment arrangements for FHS contractors due to the lack of post payment verification checks performed during 2021/22. NSS suspended post payment verification checks during the financial year in line with Covid advice and guidance issued by the Scottish Government. This matter was disclosed in the service audit report as it was considered to be of fundamental importance to the understanding of the financial statements, however it does not alter the overall unqualified audit option provided. We are satisfied that this does not impact on our system of internal control or financial governance arrangements in respect of payments made to FHS contractors.

External Review

The Network and Information Systems Regulations (NISR) audit report was issued in October 2020. The June Information Governance Group was informed that actions are largely on-track to complete Critical and Urgent recommendations either before or shortly after the next regulatory audit. The 2021 audit highlighted 10% increase in overall Network and Information Systems compliance with an 8% increase in Cyber Resilience Framework control compliance. A NISR tracker has been developed to closely monitor progress on actions with target dates and responsible owners assigned. Internal Audit are supportive of this method and it is overseen by the Information Security and Information Governance Groups. A progress update was received by the Performance & Resources Committee in January 2022.

In December 2020 a Significant Adverse Event took place in the Mental Health Unit at Forth Valley Royal Hospital resulting in the death of a patient. The incident was reviewed under the Health Board's Significant Adverse Event Policy to establish if there were any service failings relating to the ward admissions process and the application of the Search Policy, and to highlight any significant learning. At the same time the incident was reviewed by the Health & Safety Executive (HSE) at the request of the Procurator Fiscal. There was insufficient evidence of a causal link between any health and safety failings and the death however contraventions of health & Safety law were identified with 3 material breaches. A formal response to the HSE was provided detailing actions undertaken to in response to these failing.

In December 2020, in response to concerns raised by staff side, the Chief Executive commissioned an independent external team to undertake a culture and governance review of the Emergency Department (ED) of Forth Valley Royal Hospital. The review team produced a report which set out

recommendations for improvement. In addition to the External Review report recommendations, staff suggested a number of actions which they felt would improve their day-to-day work and experiences. The recommendations have been accepted by the NHS Board and a subcommittee was constituted to oversee implementation of those recommendations in partnership with staff and staff side. The external review and the Health response were presented at a Special NHS Board meeting in August 2021. A costed plan to support implementation of the ED improvement implementation plan was

approved by the NHS Board in November 2021[13]. The implementation of the improvement action plan has been shared regularly with the NHS Board and both Integration Joint Boards received the paper presented in August 2021. In addition to regular updates at scheduled Area Partnership Forum meetings on the implementation of the Improvement Action Plan, a dedicated Area Partnership Forum review session took place on the 23 November 2022.

In November 2021 it was agreed that the ED Oversight and Assurance Sub Committee delegate scrutiny and assurance for the ED Improvement Action Plan ongoing implementation and associated risks to the Health Board's designated Assurance Committees[14] (Nursing Workforce and Professional Oversight to the Performance & Resource Committee; Clinical Governance to the Clinical Governance; Staff Governance and Human Resources review findings to the Staff Governance Committee, and Corporate Governance to the Performance & Resources Committee) and invite the Chief Executive to present a quarterly report on progress as set out in the paper.

Risk Assessment and Management

NHS Scotland bodies are subject to the requirements of the Scottish Public Finance Manual (SPFM) and must operate a risk management strategy in accordance with relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM. The NHS Board in approving its Risk Management Strategy agreed an escalation process to ensure significant risks identified, that are deemed impossible or impractical to manage by a local team or function, are escalated appropriately following the Health Board's line management arrangements.

The Risk Management Strategy had previously been reviewed and updated for 2020-21 and approved by the NHS Board in December 2020. This review represented an update of the strategy to make a number of short-term improvements ahead of the creation of a new 3 year risk management framework for 2021-25. The key areas updated are noted as:

- Risk architecture – re-setting the hierarchy of risk registers and how they interrelate, including risk escalation
- Governance arrangements – consolidating the arrangements for reporting risk through the assurance committee and Health Board structure
- Roles & Responsibilities – clarifying accountabilities and responsibilities for managing risk at all levels
- The risk management process – detailing the risk management process in line with international standard ISO31000

Building upon these improvements, in 2021/22 the risk appetite approach was presented to the Board Seminar and subsequently to the standing assurance committees where it was endorsed and incorporated into the draft 3 year Risk Management Strategy. Work has begun to set and agree the risk appetite for each of the 9 risk categories in the risk matrix, with a view to having the finalised Risk Management Strategy approved by the Board in July 2022.

An Assurance Mapping working group was established, and assurance mapping principles drafted. This will allow mapping of key risks and facilitate provision of assurance to the standing assurance committees, and ultimately to the Board. The process was successfully tested on the Financial Sustainability Strategic Risk via the Performance and Resources Committee. Work has begun to create a deep dive schedule by risk priority.

The Strategic Risk Register continues to be presented to the NHS Board on a quarterly basis, and following Internal Audit recommendations, the Strategic risks are assigned to the relevant standing assurance committees (Clinical

Governance Committee; Performance and Resources Committee; Staff Governance Committee) for oversight and scrutiny. The quarter 3 October to December 2021 was

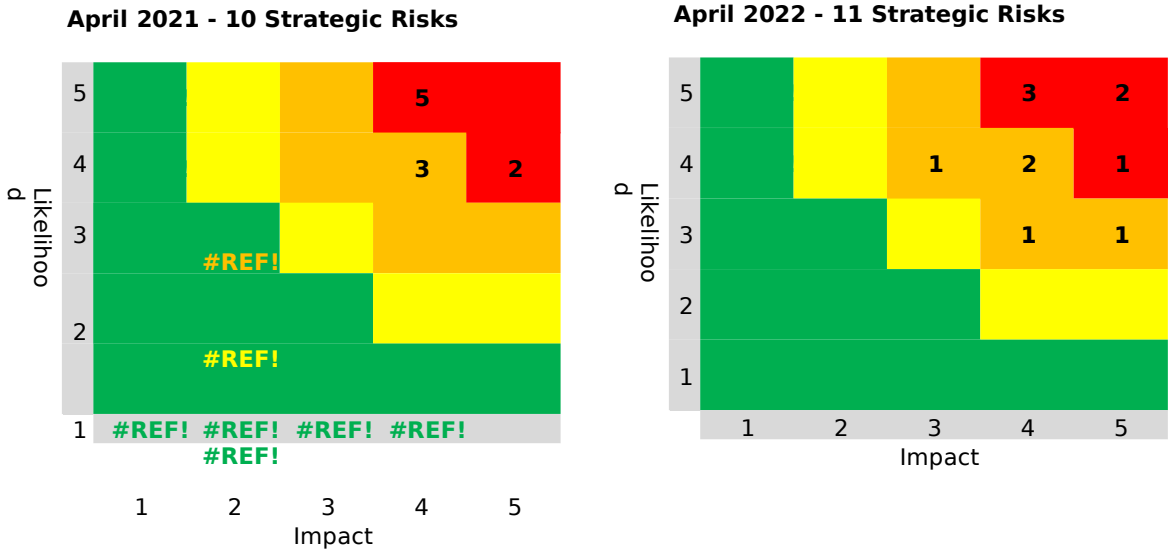
[13] NHS FV Board Meeting Nov 30th 2021 (nhsforthvalley.com)
[14] NHS-FV-Board-Meeting-Mar-29th-2022.pdf (nhsforthvalley.com)

presented to the NHS Board in March 2022[15]. The quarter 4 update, January to March 2022, and year end summary will be presented to the NHS Board in July 2022.

There are a number of high-level risks detailed on the Strategic Risk Register in relation to: delivery of Unscheduled, Scheduled and Primary Care; Information Governance arrangements; alignment of Financial and Strategic Plans; Capital funding aligned to Estates and Infrastructure and Cyber Resilience.

COVID-19 Impact on Strategic Risk Profile

Work has continued throughout the year to reflect the impact of the COVID-19 pandemic on the nature and profile of the Strategic Risk Register. A strategic risk covering COVID-19 Remobilisation was articulated in 20/21, relating to the Board's capacity and ability to deliver an effective remobilisation plan to facilitate renewal and recovery from the pandemic. We have now moved out of the remobilisation phase into consideration of Annual Delivery Plans, working to the guidance issued from Scottish Government around the development of these plans. The threat remains from a resurgence of COVID-19 and these considerations are now part of business as usual planning. It is recognised that COVID-19 is an exacerbating factor impacting on a number of strategic risks and should therefore be a key consideration when reviewing the existing strategic risks, with additional controls added where necessary. There is no longer a standalone risk relating to COVID-19.



Comparison of the Strategic risk profile at end April 2022 against end April 2021 shows an increase in the number of risks on the Strategic Risk Register, however, the number of very high risks (scoring 20 or above) has slightly decreased.

There are three new risks:

- Ø SRR014 – Healthcare Strategy (current score 15) - Internal Audit's Internal Control Evaluation 2020/21 report highlighted the requirement to revise the Healthcare Strategy and supporting strategies, taking into account the impact of COVID-19 in particular. This associated strategic risk was articulated, highlighting the importance of the Healthcare Strategy to the Board's vision, corporate objectives and key priorities, ensuring that services are sustainable in the long term.
- Ø SRR015 – Cyber Resilience (current score 20) - Cyber had previously been incorporated into SRR011 - IT Infrastructure, however due to the nature and severity of this risk, including the wide-ranging impact across the system beyond ICT, this new Strategic Risk for Cyber Resilience was articulated and approved.
- Ø SRR016 – Out of Hours Service (current score 20) - The Out of Hours

Service (OOHS) are exposed to a number of risks associated with the overall provision of care provided to patients.

[15] NHS-FV-Board-Meeting-Mar-29th-2022.pdf (nhsforthvalley.com)

OHHS staffing levels are also impacted by normal sickness related absences and COVID-19 related absences, straining the timely services and increasing risk exposure. OHHS are also experiencing organisational change and therefore adding further complexities internal to the service.

Two risks have increased in score compared to the April 2021 position:

- Ø SRR002 Unscheduled Care – a number of factors contributed to the increase in this risk. Operational pressures on site, staff vacancies and COVID related absence are having an impact on ability to deliver the workstreams. Increasing delayed discharges and challenges with flow at FVRH have also exacerbated the risk.
- Ø SRR005 – Financial Sustainability – while a financial break-even position was achieved for 2021/22, there will be no further COVID funding available, and the level of savings requirement identified for 22/23 brings a significant level of challenge to maintain financial break even on a recurring and sustainable basis. The untreated and current scores have been amended to reflect this.

Three risks reduced in score.

One risk was de-escalated:

- Ø SRR013 Brexit - de-escalated from Strategic Risk Register to the Local Resilience Risk Register for ongoing monitoring. Impacts were localised and have been successfully managed.

One risk was closed:

- Ø SRR012 – COVID-19 Remobilisation – recognising that COVID has an exacerbating effect on almost all of the strategic risks, and that COVID considerations are now part of business as usual planning, the risk has been closed. We have moved out of the re-mobilisation phase into consideration of Annual Delivery Plans, and guidance has been received from Scottish Government around the development of these plans. The existing internal controls have either been moved to the strategic risk to which they relate, or status updates provided. Outstanding actions are complete. COVID-19 considerations will be part of the reviews of all existing strategic risks, with additional controls added where necessary.

Comparison of the Strategic risks at April 2021 versus April 2022 is provided in table 8.

Table 8: Strategic Risks April 2021 compared to April 2022

Strategic Risks – 2021/22 Year End Comparison			
Risk ID	**Risk Title**		
SRR016	**Out of Hours Service** **NEW** If NHS Forth Valley is unable to provide a fully staffed and functioning Out of Hors Service, there is a risk of instability within the service leading to an inability to provide robust and timely care to patients.		
SRR015	**Cyber Resilience** **NEW** If NHS Forth Valley does not build and maintain effective cyber resilience, there is a risk that the cyber security of the organisation may be compromised, resulting in disruption to our ICT systems and service delivery. Increased Cyber risk as reported by National Cyber Competent authorities (NCSC, SG Cyber Unit).		
SR014	**Healthcare Strategy** **NEW** If the planned review of the NHS Forth Valley Healthcare Strategy (2016-2021) does not incorporate learning from the COVID-19 pandemic and does not align with government policy and / or Integration Authorities Strategic Commissioning Plans there is a risk the Board's vision, corporate objectives and key priorities will be incorrect, resulting in services that are not sustainable in the long term and an inability to deliver transformation.		
SRR005	**Financial Sustainability** If NHS Forth Valley financial plans are not aligned to strategic plans and external drivers of change, there is a risk that our cost base for our services over the medium to long term could exceed our future funding allocation, resulting in an inability to achieve and maintain financial sustainability, and a detrimental impact on current/future service provision.		
SRR002	**Unscheduled Care** If NHS Forth Valley fails to deliver on the 6 Essential Actions Improvement Programme there is a risk we will be unable to deliver and maintain appropriate levels of unscheduled care, resulting in service sustainability issues and poor patient experience (including the 4 hour access standard).		
SRR004	**Scheduled Care** there are delays in delivery of scheduled care there is a risk that NHS FV will be unable to meet its obligations to deliver the National Waiting Times Plan targets for 2020-21, resulting in poor patient		
SRR010	**Estates and Supporting Infrastructure** If there is insufficient Capital funding to develop a		
	experience and outcomes		
			nd

20

n/a

n/a

20

n/a

20

20

15

20

25

20

20

25

20

Strategic Risks – 2021/22 Year End Comparison			
Risk ID	**Risk Title**	**April 2021 Risk Score**	**April 2022 Risk Score**
	improve the property portfolio there is a risk the Estate and supporting infrastructure will not be maintained in line with national and local requirements.		
SRR003	**Information Governance** If NHS Forth Valley fails to implement effective Information Governance arrangements there is a risk we will not comply with a range of requirements relating to GDPR and the Network and Information System Regulation (NIS), resulting in reputational damage and potential legal breaches leading to financial penalties.	**20**	**16**
SRR009	**Workforce Plans** If NHS Forth Valley does not implement effective strategic workforce planning (including aligning funding requirements) there is a risk that we will not have a workforce in future that is the right size, with the right skills and competencies, organised appropriately within a budge we can afford, resulting in sub-optimal service delivery to the public.	**16**	**16**
SRR001	**Primary Care** If there is insufficient funding and recruitment, there is a risk that NHS Forth Valley will not implement the Primary Care Improvement Plan, resulting in an inability to fulfil the Scottish Government Memorandum of Understanding as part of the GP contract, jeopardising GP practice sustainability and potential financial penalty for non-implementation	**20**	**12**
SRR011	**IT Infrastructure** If there are significant technical vulnerabilities there is a risk the NHS Forth Valley IT Infrastructure could fail, resulting in potential major incidents or impact to service delivery.	**16**	**12**
SRR013	**Brexit** **DE-ESCALATED**	**16**	**Closed/ De-escalated Closed**
SRR012	**COVID-19 Remobilisation**	**20**	

Disclosures

During the previous financial year, no significant control weaknesses or issues have arisen, and no significant failures have arisen in the expected standards for good governance, risk management and control. Attention is, however, drawn to the key risks reported to Forth Valley NHS Board during 2021/22 and in particular to the Treatment Time Guarantee underpinned by statute.

NHS FORTH VALLEY BOARD

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Remuneration Table

	Gross Salary (Bands of £5,000)	Bonus Payments (Bands of £5,000)	Benefits in Kind (£'000)	Total Earnings in Year (Bands of £5,000)	Pension Benefits (£'000)	Total Remuneration (Bands of £5,000)
Remuneration of:						
Executive Members Chief Executive: Catherine Cowan	140-145	0 - 0	0	140-145	0	140-145
Director of Public Health: Graham Foster	195-200	0 - 0	0	195-200	64	260-265
Director of Finance: Scott Urquhart	100-105	0 - 0	0	100-105	38	135-140
Director of HR: Linda Donaldson	105-110	0 - 0	0	105-110	56	165-170
Director of Nursing: Angela Wallace	130-135	0 - 0	5.5	135-140	33	170-175
Medical Director Andrew Murray	190-195	0 - 0	0	190-195	34	225-230
Non-Executive Members The Chair: Janie McCusker	30-35	0 - 0	0	30-35	0	30-35
Julia Swan (to 31/08/21)	0-5	0 - 0	0	0-5	0	0-5
John Ford	15-20	0 - 0	0	15-20	0	15-20
James King (to 30/04/21)	0-5	0 - 0	0	0-5	0	0-5
Michele McClung	15-20	0 - 0	0	15-20	0	15-20
Susan McGill	5-10	0 - 0	0	5-10	0	5-10
Leslie Sharp	5-10	0 - 0	0	5-10	0	5-10
Allan Rennie	5-10	0 - 0	0	5-10	0	5-10
Stephen McAllister	5-10	0 - 0	0	5-10	0	5-10
Gordon Johnston	5-10	0 - 0	0	5-10	0	5-10
Fiona Collie (from 25/05/21)	0-5	0 - 0	0	5-10	0	5-10
Kirstin Cassells (from 25/05/21)	0-5	0 - 0	0	5-10	0	5-10
John Stuart (from 18/10/21)	0-5	0 - 0	0	5-10	0	5-10
Martin Fairbairn (from 07/12/21)	0-5	0 - 0	0	5-10	0	5-10
Employee Director	0-5	0 - 0	0	5-10	0	5-10
Robert Clark	0-5	0 - 0	0	5-10	0	5-10
Total	40-45	0 - 0	0 **5.5**	40-45	3 **228**	45-50

Pension benefit figures are provided for those employees who are members of the NHS Scotland pension scheme; employees have the option to opt out of the scheme.
Catherine Cowan chose not to be covered by the pension arrangements during the reporting year.

The Employee Director's salary includes £30,000 to £35,000 in respect of non-Board duties

The Employee Director’s pension benefits are in respect of non-Board duties

For those members who were in post for part of the year only, the full year effect total earnings figures are as follows:-

NON-EXECUTIVE MEMBER

Julia Swan	£5,000 - £10,000
James King	£5,000 - £10,000
Fiona Collie	£5,000 - £10,000
Kirstin Cassells	£5,000 - £10,000
John Stuart	£5,000 - £10,000
Martin Fairbairn	£5,000 - £10,000

NHS FORTH VALLEY BOARD

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Remuneration Table

	Gross Salary (Bands of £5,000)	Bonus Payments (Bands of £5,000)	Benefits in Kind (£'000)	Total Earnings in Year (Bands of £5,000)	Pension Benefits (£'000)
Remuneration of:					
Executive Members Chief Executive: Catherine Cowan	140-145	0 - 0	0	140-145	20
Director of Public Health: Graham Foster	200-205	0 - 0	0	200-205	73
Director of Finance: Scott Urquhart	95-100	0 - 0	0	95-100	49
Director of HR: Linda Donaldson	105-110	0 - 0	5.7	105-110	55
Director of Nursing: Angela Wallace	120-125	0 - 0	0	125-130	78
Medical Director Andrew Murray	195-200	0 - 0	0	195-200	70
Non-Executive Members The Chair: Janie McCusker	30-35	0 - 0	0	30-35	0
Julia Swan	05-10	0 - 0	0	05-10	0
John Ford	15-20	0 - 0	0	15-20	0
James King	05-10	0 - 0	0	05-10	0
Michele McClung	15-20	0 - 0	0	15-20	0
Allyson Black (to 22/03/21)	05-10	0 - 0	0	05-10	0
Susan McGill	05-10	0 - 0	0	05-10	0
Leslie Sharp	05-10	0 - 0	0	05-10	0
Allan Rennie	05-10	0 - 0	0	05-10	0
Stephen McAllister	05-10	0 - 0	0	05-10	0
Gordon Johnston	05-10	0 - 0	0	05-10	0
Employee Director Robert Clark	40-45		**5.7**	40-45	9
Total					

	270-275		5	20	-20	-10
Total Remuneration (Bands of £5,000)		265-270				05-10
	145-150		05	05	05	05-10
			10	10	10	05-10
160-165	160-165	30				05-10
			15	15	05	
	205-210	3	-			50-55

Pension benefit figures are provided for those employees who are members of the NHS Scotland pension scheme; employees have the option to opt out of the scheme.

The Employee Director’s salary includes £30,000 to £35,000 in respect of non-Board duties The Employee Director’s pension benefits are in respect of non-Board duties

For those members who were in post for part of the year only, the full year effect total earnings figures are as follows:-

NON-EXECUTIVE MEMBERS

Allyson Black £5,000 - £10,000

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2022

Pensions Values Table

Remuneration of:	Total accrued pension at pensionable age at 31 March 2022 (Bands of £5,000)	Total accrued lump sum at pensionable age at 31 March 2022 (Bands of £5,000)	Real increase in pension at age 60 (Bands of £2,500)	Real increase in lump sum at age 65 at 31 March 2022 (Bands of £2,500)	CETV at 31 March 2021 (£000)	CETV at 31 March 2022(£000)	Real increase in CETV in year (£000)
Executive Members Chief Executive: Catherine Cowan	0 - 0	*0 - 0*	0 - 0	*0 - 0*	0 - 0	0 - 0	0
Director of Public Health: Graham Foster	75-80	*170-175*	2.5-5	*0-2.5*	1460	1557	97
Director of Finance: Scott Urquhart	30-35	*60-65*	2.5-5	*0-2.5*	489	532	43
Director of HR: Linda Donaldson	50-55	*115-120*	2.5-5	*2.5-5*	948	1025	77
Director of Nursing: Angela Wallace	45-50	*115-120*	0-2.5	*0-2.5*	986	1046	60
Medical Director: Andrew Murray	75-80	*155-160*	2.5-5	*0*	1411	1480	69
Non-Executive Members The Chair: Janie McCusker	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Julia Swan	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
John Ford	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
James King	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Michele McClung	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Susan McGill	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Leslie Sharp	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Allan Rennie	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Stephen McAllister	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Gordon Johnston	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Fiona Collie (from 25/05/21	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
Kirstin Cassells (from 25/05/21)	0 - 0	0 - 0	0 - 0	0 - 0	0	0	0
John Stuart (from 18/10/21)	15-20	35-40	0-2.5	0	314	323	9
Martin Fairbairn (from 07/12/21)							
Employee Director Robert Clark							**355**
Total							

There are multiple NHS Scotland pension schemes which have differing normal pension retirement ages, the figures provided above are based on the individual cases. In accordance with the Financial Reporting Manual (FReM) and the Companies Act, this calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement. The ‘total earnings in year’ column shows the remuneration relating to actual earnings payable in year.

Catherine Cowan chose not to be covered by the pension arrangements during the reporting year.

REMUNERATION REPORT

FOR THE YEAR ENDED 31 MARCH 2021

Pensions Values Table

	Total accrued pension at pensionable age at 31 March 2021 (Bands of £5,000)	Total accrued lump sum at pensionable age at 31 March 2021 (Bands of £5,000)	Real increase in pension at age 60 (Bands of £2,500)	Real increase in lump sum at age 65 at 31 March 2021 (Bands of £2,500)	CETV at 31 March 2020 (£000)
Remuneration of:					
Executive Members Chief Executive: Catherine Cowan	60-65	185-190	0-2.5	2.5-5	1426
Director of Public Health: Graham Foster	70-75	165-170	2.5-5	2.5-5	1314
Director of Finance: Scott Urquhart	25-30	55-60	2.5-5	2.5-5	425
Director of HR: Linda Donaldson	45-50	105-110	2.5-5	2.5-5	846
Director of Nursing: Angela Wallace	40-45	110-115	0 - 0 0 - 0 0 - 0 0 - 0 0 - 0 0 - 0 0 - 0 0 - 0 0 - 0	0 - 2.5	856
Medical Director: Andrew Murray	65-70	150-155			1268
Non-Executive Members The Chair: Janie McCusker	0 - 0	0 - 0			0 0
Julia Swan	0 - 0	0 - 0			0 0
John Ford	0 - 0	0 - 0			0
James King	0 - 0	0 - 0			0 0
Michele McClung	0 - 0	0 - 0			0 0
Allyson Black (to 22/03/21)	0 - 0	0 - 0			0 0
Susan McGill	0 - 0	0 - 0			291
Leslie Sharp	0 - 0	0 - 0			
Allan Rennie	0 - 0	0 - 0			
Stephen McAllister					
Gordon Johnston	15-20	35-40		0 - 0 - 0 -

					101		0		**92**
	474	0	0						
		0	0						
CETV at 31 March 2021(£000)		0		Real increase in CETV in year (£000)	49	0	0		
	919					0			
		0	0			0			
		0	0		73	0	0		
	957	0	0			0			
1488						0			
					100				
	1369			55		0			
						0	1		
1416					100	0	4		
		305					**4**		

Fair Pay Disclosure

	2022	2021	%Change	
Range of Staff Remuneration	8,930-346,423	8,842-247,913	1.0% - 39.7%	
Highest earning Director's total remuneration (£000s)	197,500	187,500	5.3%	1.0%
Median (total pay & Benefits)	33,577	33,243	1.2%	
Median (salary only)	33,493	33,108	-2.6%	3.0%
Ratio	5.94	6.10	3.0%	2.3%
25th Percentile (total pay & Benefits)	25,983	25,224	2.4%	2.1%
25th Percentile (salary only)	25,983	25,224	2.9%	1.4%
Ratio	7.60	7.43		
75th Percentile (total pay & Benefits)	43,065	42,074		
75th Percentile (salary only)	42,724	41,850		
Ratio	4.59	4.46		
Staff Average (Salary & Allowances)	33,558	33,100		

There are no Performance Pay or Bonuses paid in relation to the Staff Average.

Commentary

The changes in ratios are within a normal acceptable range and the percentage increases are attributable to increased recruitment on nursing and healthcare support workers together with the workforce impact of various local service developments and national policy commitments e.g. recruitment to the National Treatment Centre.

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in Forth Valley NHS Board in the financial year 2021/2022 was £198,791 (2020/2021, £201,916). This was 5.94 times (2020/21, 6.10) the median remuneration of the workforce, which was £33,493 (2020/2021, £33108).

In 2021/2022, 3 (2020/2021, 1) employees received remuneration in excess of the highest paid director. Remuneration ranged from £8,930 to £346,423 (2020/2021 £8,842 to £247,913).

STAFF REPORT

Higher Paid Employees' Remuneration

Other employees whose remuneration fell within the following ranges:

Clinicians

£70,001 to £80,000
£80,001 to £90,000
£90,001 to £100,000
£100,001 to £110,000
£110,001 to £120,000
£120,001 to £130,000
£130,001 to £140,000
£140,001 to £150,000
£150,001 to £160,000
£160,001 to £170,000
£170,001 to £180,000
£180,001 to £190,000
£190,001 to £200,000
£200,001 and above

Other

£70,001 to £80,000
£80,001 to £90,000
£90,001 to £100,000
£100,001 to £110,000
£110,001 to £120,000
£120,001 to £130,000
£130,001 to £140,000
£140,001 to £150,000
£150,001 to £160,000
£160,001 to £170,000
£170,001 to £180,000
£180,001 to £190,000
£190,001 to £200,000
£200,001 and above

| | | |

STAFF NUMBERS AND EXPENDITURE

EMPLOYEE EXPENDITURE	Executive Board Members £'000	Non-Executive Members £'000	Permanent Staff £'000	Inward Seconded £'000	Other Outward Staff Secondees £'000	2022 Total £'000	2021 Total £'000
Salaries and wages	879	183	261,971	0	0	**260,767**	**248,647**
Taxation & Social security costs	114	117	46,265	0	(2266)	**25,417**	**23,601**
NHS scheme employers' costs	134	70	0	0	0	**46,410**	**43,258**
Other employers' pension costs	80	0	0	0	0	**3,930**	**3,676**
Secondees	0	0	0	0	0	**5,065**	**8,103**
Agency staff	0	0	**333,528**	5,065	8,013	**345,672**	**323,112**
TOTAL	**1,131**	**201**		**5,065**	**8,013**	**(2,266)**	

Included in the total Employee Expenditure above were costs of staff engaged directly on capital projects, charged to capital expenditure of: 56 445

STAFF NUMBERS

Whole time equivalent (WTE)	6	15	5887	70	170	(39)	**6109**	5726

Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of: 1 11

Included in the total staff numbers above were disabled staff of: 72 48

Included in the total staff numbers above were Special Advisers of: 0 0

Reconciliation to income and expenditure

	£'000	
Total employee expenditure as below Add: employee income included in Note 4	345,6 72 2,266	*From staff report disclosure From staff report disclosure From staff report disclosure*
Less: staff on capital projects	5 6	
Total employee expenditure disclosed in note 3	**347,8 82**	

Staff composition – an analysis of the number of persons of each sex who were directors and employees. For the purposes of this analysis, senior employees are those earning over £70,000 p.a.

	2022				2021			
	Male	**Female**	**Prefer not to say**	**Total**	**Male**	**Female**	**Prefer not to say**	**Total**
Executive Directors	3	3	0	6	3	3	0	6
Non-Exec. Directors and Employee Director	8	5	0	13	7	5	0	12
Senior 164 Employees		144	0	308	182	148	0	330
Other 803		6526	710	5723 5875	0 0	6238	5528 5684	0 0
Total 978 Headcount				6853	902			6586

The figures in the above table for Executives and Non Executives and Senior employees are headcount numbers, based on the total numbers in post during the year, which are reported on elsewhere in this report. The figures for other staff are based on those in post on 31st March 2022.

Sickness absence data

	2022	**2021**
Sickness Absence Rate	6.02%	5.6%

Staff Policies relating to the employment of disabled persons

Staff policies were applied during the financial year relating to the employment of disabled persons.

- For giving full and fair consideration to applications for employment by the Board made by disabled persons, having a regard to their particular aptitudes and abilities;
- For continuing the employment of, and for arranging appropriate training for, employees of the Board who have become disabled persons during the period when they were employed by the Board; and
- Otherwise for the training, career development and promotion of disabled persons employed by the Board.

Other Employee Matters

In 2021/22 we reported to Staff Committee Government Committee and Area Partnership Forum Workforce Information which includes Workforce Composition and Distribution, Turnover, Age Profile, Ethnic Origin, Gender and Religion.

A suite of policies, procedures and guidance are available to help ensure a fair and consistent approach to employment issues including: Recruitment and Selection; Flexible Working; Dignity

at Work, Performance Appraisal; Maternity, Paternity and Adoption Leave; Grievance; Hate Incident Protocol; Special Leave Policy, Shared Parental Leave Policy, Transitioning at Work Protocol and Equality, Diversity & Human Rights Policy.

Development of Phase 2 of national "Once for Scotland" employment policies was paused in November 2021, this programme of work restarted in April 2022, policies included in this phase are:

- Additional Employment
- Embracing Equality, Diversity and Human Rights
- Gender-Based Violence
- Managing Health at Work
- Personal Development Planning & Review
- Redeployment
- Safer Pre & Post Employment Checks
- Secondment
- Supporting the Work-Life Balance
- Use of Fixed Term Contracts
- Facilities Arrangements for Trade Unions & Professional Organisations

NHS Forth Valley has a strong history of excellent partnership working. Our Employee Director works with Human Resources on a number of Partnership areas. The Area Partnership Forum, co-chaired by the Chief Executive and Employee Director meets quarterly, there are local partnerships for Acute, Estates and Facilities, and our two Joint Staff Forum for Health & Social Care Partnerships.

The Health and Safety Department provides a comprehensive range of services, specialist advice helps managers manage risk and health and safety issues affecting staff, patients and visitors etc. The department also provides a range of information for staff to access. The work closely with other departments and groups within NHS Forth Valley including Occupational Health, Infection Control, Training & Development, Clinical Governance and The Risk Network group to ensure a quality approach. Incidents are reported electronically via Safeguard.

Turas Appraisal is used to record staff PDPR progress including identification of Objectives and Personal Development Planning. Talent Management and Succession Planning are key priorities within NHS Forth Valley and support the Board's strategic direction in supporting our workforce, attracting, retaining and developing a capable and sustainable workforce fit for the future. We are implementing this across the organisation. This process will support short, medium and long term career planning for both managers and employees and is designed to ensure a supply of skilled and appropriately trained staff who are enabled to be job ready and can apply for posts as they become available. This process is crucial to recruitment and retention and invaluable to reinforcing our development culture.

Not all staff aspire to obtain promotion, some may prefer to remain within their current role and develop skills to enhance effectiveness or move across the organisation. Effective career conversations and access to tailored support can be invaluable to support this process and retain staff particularly during periods of transformational change. We are providing guidance on career development conversations for managers to support robust and effective dialogue on personal development.

Exit packages

There were no exit packages during 2021/22 or 2020/21

Trade Union regulations

Relevant Union Officials

Number of employees who were relevant union officials during the period 1 April 2021 to 31 March 2022	Full-time equivalent employee number
21	18.99

Total Facility Hours
6894.45

Percentage of time spent on facility time

Percentage of time	Number of representatives
0%	10
1 – 50%	8
51 – 99%	1
100%	2

Percentage of pay bill spent on facility time

Total cost of facility time	£175,187
Total pay bill	£345,620,000
Percentage of the total pay bill spent on facility time	0.05%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	100%. All time spent on trade union activity is paid for any trade union representative.

Parliamentary Accountability Report

Losses and Special Payments

On occasion the Board is required to write off balances which are no longer recoverable. Losses and special payments over £0.250m require formal approval to regularise such transactions and their notation in the annual accounts.

The write-off of the following losses and special payments has been approved by the Board:

	£m	No. of cases
Losses	591	2,510

In the year to 31 March 2022, the following balances were settled:

Reference	Description	
CNORIS	**£m** Total claims paid under the CNORIS scheme	2,409

In 2021-22, the Board was required to pay out no claims individually greater than £250,000 settled under the CNORIS scheme (2020-21: £2,494m). Further details can be found in Note 1 (Accounting policies) of the annual accounts.

The Board is also required to provide for CNORIS claims notified to it and which will be settled at a future date; details of these provisions can be found in Note 13.

3.2 Fees and Charges

During 2021/22, there were no charges for services provided on a full costs basis at greater than £1m.

3.3 Approval of the Accountability Report

The Accountability Report is approved for issue

Cathie Cowan

.....

..... **Mrs Cathie Cowan**
Chief Executive

24 June 2022

Independent auditor's report to the members of Forth Valley NHS Board, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

I have audited the financial statements in the annual report and accounts of Forth Valley NHS Board and its group for the year ended 31 March 2022 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Consolidated Comprehensive Net Expenditure, Consolidated Statement of Financial Position, Statement of Consolidated Cashflows, Consolidated Statement of Changes in Taxpayers Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2021/22 Government Financial Reporting Manual (the 2021/22 FReM).

In my opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the affairs of the board and its group as at 31 March 2022 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2021/22 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I was appointed by the Auditor General on 28 January 2019. The period of total uninterrupted appointment is four years. I am independent of the board and its group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern basis of accounting

I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the board and its group to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

These conclusions are not intended to, nor do they, provide assurance on the board's current or future financial sustainability. However, I report on the board's arrangements for financial sustainability in a separate Annual Audit Report available from the Audit Scotland website.

Risks of material misstatement

I report in my Annual Audit Report the most significant assessed risks of material misstatement that I identified and my judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accountable Officer, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the ability of the board and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the board's operations.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the board is complying with that framework;
- identifying which laws and regulations are significant in the context of the board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with

laws and regulations.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the board’s controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or

the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Reporting on regularity of expenditure and income

Opinion on regularity

In my opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to my responsibilities in respect of irregularities explained in the audit of the financial statements section of my report, I am responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements

Opinion prescribed by the Auditor General for Scotland on the audited part of the Remuneration and Staff Report

I have audited the parts of the Remuneration and Staff Report described as audited. In my opinion, the audited part of the Remuneration and Staff Report has been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

My responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the other information and I

do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on the Performance Report and Governance Statement

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers; and

- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Matters on which I am required to report by exception

I am required by the Auditor General for Scotland to report to you if, in my opinion:

- adequate accounting records have not been kept; or

- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or

- I have not received all the information and explanations I require for my audit; or

- there has been a failure to achieve a prescribed financial objective.

I have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to my responsibilities for the annual report and accounts, my conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in my Annual Audit Report.

Use of my report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, I do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

John Cornett

John Cornett, FCPA
Executive Director of Audit
Services Audit Scotland
4th Floor, 102
Westport Edinburgh
EH3 9DN

FORTH VALLEY NHS BOARD

STATEMENT OF CONSOLIDATED COMPREHENSIVE NET EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2022

2021 £'000		Note	2022 £'000
324,502	Employee expenditure	3a	347,882
	Other operating expenditure		
95,519	Independent Primary Care Services	3b	95,503
120,150	Drugs and medical supplies		129,643
625,556	Other health care		621,604
1,165,727	expenditure Gross expenditure for the year		1,194,632
(403,015)	Less: operating income		
(11,797)	Associates and joint ventures accounted for on an equity basis	4	(17,249)
(402,780)			
750,915	**Net expenditure for the year**		**774,603**

OTHER COMPREHENSIVE NET EXPENDITURE

2021 £'000		2022 £'000
9,746	Net (gain)/loss on revaluation of Property Plant and Equipment	(30,690)
(604)	Net (gain)/loss on revaluation of Investments	(229)
(4,514)	Other Non Cash Costs	1,225
4,628	Other Comprehensive Expenditure	(29,694)
755,543	**Comprehensive net Expenditure**	**744,909**

The Notes to the Accounts, numbered 1 to 26, form an integral part of these Accounts.

FORTH VALLEY NHS BOARD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2022

Consolidated 2021 £'000	Board 2021 £'000		Note	Consolidated 2022 £'000	Board 2022 £'000
		Non-current assets			
551,810	551,810	Property, plant and equipment	7c	578,524	578,524
1,003	1,003	Intangible assets	6a	696	696
3,371	355	Financial assets:			
15,938	0	Investments	10	3,800	556
38,578	38,578	Investments in associates and joint ventures	9	33,187	0
610,700	**591,746**	Trade and other receivables		40,831	40,831
		Total non-current assets		**657,038**	**620,607**
1,845	1,845	**Current Assets**	8	2,012	2,012
15,361	15,270	Inventories	6b	0	0
232	35	Intangible Assets	9		16,774
0	0	Financial assets:			37
0	0	Trade and other receivables	11	16,816	0
17,438	**17,150**	Cash and cash equivalents	10	229	0
		Investments	7b	0	**18,823**
		Assets classified as held for sale		0	
		Total current assets		**19,057**	
628,138	**608,896**	**Total assets**		**676,095**	**639,430**
		Current liabilities	13a		
(11,157)	(11,157)	Provisions			(12,954)
		Financial liabilities:		(12,954)	
(115,354)	(115,289)	Trade and other payables	12		(163,129)
(126,511)	**(126,446)**	**Total current liabilities**		(163,216)	**(176,083)**
				(176,170)	
501,627	**482,450**	**Non-current assets plus/less net current assets/liabilities**		**499,925**	**463,347**
		Non-current liabilities	13a		
(72,494)	(72,494)	Provisions			(74,943)
		Financial liabilities:		(74,943)	
(312,673)	(312,673)	Trade and other payables			(302,799)
0	0	Liabilities in associates and joint ventures	12	(302,799)	0
(385,167)	**(385,167)**	**Total non-current liabilities**		**(377,742)**	**(377,742)**
116,460	**97,283**	**Assets less liabilities**		**122,183**	**85,605**
	116,460				
(45,498)		(45,498)		142,781	0
142,781		**Taxpayers' Eq**			
15,938					
3,239					
0					
97,283					

uity	ral	Revaluation reserve		**SoCTE**	(84,244)
		Other reserves - associates and joint ventures Fund held on Trust		(84,244)	**SoCTE**	169,849 0 0
		Total taxpayers' equity		169,849	**SoCTE**	**85,605**
General	fund			33,187	**SoCTE**	
				3,391		
						122,183

Adopted by the Board on 24th June 2022

Scott Urquhart
..... Director of Finance

Cathie Cowan
.....Chief Executive

The Notes to the Accounts, numbered 1 to 26, form an integral part of these Accounts.

FORTH VALLEY NHS BOARD

STATEMENT OF CONSOLIDATED CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2022

2021				2022	
Note	£'000	£'000		2022 £'000	
		Cash flows from operating activities			
(750,915)		Net expenditure	SoCTE	(774,603)	
14,383		Adjustments for non-cash transactions		951	
15,420		2b Add back: interest payable recognised in net operating expenditure		14,411	
(44)		2b Deduct: interest receivable recognised in net operating expenditure		(18)	
0		4 Investment income		0	
30,494		Movements in working capital		41,293	
(690,662)		**2b Net cash outflow from operating activities**	26c		**(717,966)**
		Cash flows from investing activities			
(9,270)		Purchase of property, plant and equipment		(8,272)	
(126)		Purchase of intangible assets		0	
(774)		Investment additions	10	(1,106)	
0		Transfer of assets to / (from) other NHS Scotland bodies		0	
651		Proceeds of disposal of property, plant and equipment		0	
0		Proceeds of disposal of intangible assets		814	
749		Receipts from sale of investments		18	
44		Interest received			**(8,546)**
(8,726)		**Net cash outflow from investing activities**	26c		
		Cash flows from financing activities			
		Funding		750,632	
724,663		SoCTE Movement in general fund working capital		750,634	
(5)				(9,714)	
724,658		SoCTE Cash drawn down		71	
		Capital element of payments in respect of finance leases and on-balance sheet PFI and Hub contracts		(14,482)	
(9,812)		Interest paid			**726,509**
(424)		Interest element of finance leases and on-balance sheet PFI / PPP and Hub contracts	2b		
(14,996)		**Net Financing**	26c		
699,426					
38		**Net Increase / (decrease) in cash and cash equivalents in the period**		**(3)**	**194**
232	**232**	**Cash and cash equivalents at the beginning of the period**			
229		**Cash and cash equivalents at the end of the period**			
		Reconciliation of net cash flow to movement in net debt/cash			
38		Increase/(decrease) in cash in year		(3)	194
				Net debt/cash at 1 April	232
232		**Net debt/cash at 31 March**		**229**	

The Notes to the Accounts, numbered 1 to 26, form an integral part of these Accounts.

FORTH VALLEY NHS BOARD

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Note	General Fund	Revaluation Reserve	Held in Trust	Other reserve - associates and joint ventures	Funds	Total Reserves
		£'000	£'000		£'000	£'000	£'000
Balance at 31 March 2021		(45,498)	142,781		15,938		**116,460**
Retrospective restatements for changes in accounting policy and material errors	20	0	0		3,239		**0**
Restated balance at 1 April 2021		(45,498)	142,781		0	0	**116,460**
Changes in taxpayers' equity for 2021-22						15,938	
Net gain / (loss) on revaluation / indexation of property, plant and equipment						3,239	
Net gain / (loss) on revaluation / indexation of intangible assets	7a	0	36,689				36,689
Net gain / (loss) on revaluation of investments Impairment of property, plant and equipment Impairment of intangible assets	6 10	0	0		0	0	0
		0	0		0	0	229
		0	(6,886)		0		(6,886)
Revaluation and impairments taken to operating costs	6	0	0		229	0	0
Release of reserves to the statement of comprehensive net expenditure	2b	0	887		0	0	887
Transfers between reserves Pension reserve movements Other non cash costs		0	0		0	0	0
		3,622	(3,622)		0	0	0
		0	0		0	0	0
		(1,225)	0		0	0	(1,225)
Net operating cost for the year	CFS	(791,775)	(789,378)		0	17,249	(774,603)
Total recognised income and expense for 2021-22			27,068		(77)	17,249	(744,909)
						152	
Funding:	CFS	750,634	CFS				750,634
Drawn down		(2)	SoFP				(2)
Movement in General Fund (Creditor) / Debtor		**(84,244)**					
Balance at 31 March 2022			**169,849**		**33,187**		**122,183**
					3,391		

CONSOLIDATED SOCTE (PRIOR YEAR)

	Note	General Fund	Revaluation Reserve	Held in Trust	Other reserve - associates and joint ventures	Funds	Total Reserves
		£'000	£'000		£'000		£'000
Balance at 31 March 2020	21						(16,141)
Retrospective restatements for changes in accounting policy and material errors	20						0
Restated balance at 1 April 2020							(16,141)
Changes in taxpayers' equity for 2020-21							
Net gain / (loss) on revaluation / indexation of property, plant and equipment							
Net gain / (loss) on revaluation / indexation of intangible assets							
Net gain / (loss) on revaluation of investments Impairment of property, plant and equipment Impairment of intangible assets	7a 6a 10						0 0
							0
							0
Revaluation and impairments taken to operating costs Release of reserves to the statement of comprehensive net expenditure	6a 2b						0
Transfers between reserves Pension reserve movements Other non cash costs							0
							4,301
							0
Net operating cost for the year							4,514
Total recognised income and expense for 2020-							

Funding:

Drawn down	CFS	General Fund (Creditor) / Debtor	CFS	**Balance at 31 March 2021**
Movement in				

	CFS	(762,835)	(754,020)	156,828		4,141			0			**147,34**	
									0	0		**0**	
										11,797			
CFS	724,658	**CFS**	5		0	156,828				123	11,797		
		SoFP	**(45,498)**				0				727		**0**
							0						**147,34**
							4,141						**0**
				14,216			2,512						
					0					**15,938**			
						0	(26,681)	0					14,216
				2,719			0			**3,239**			
													0
					0	(4,301)	0						604
					0	0	0						(26,681
				(14,047)									) 0
							0						2,719
							60						0
							4						0
				142,781			0						0
							0						4,51
							0						4
							0						(750,91
							0						5)
							0						(755,54
													3)
							0						
							0						
							0						724,65
							0						8 5
							0						**116,46**
							0						**0**

The Notes to the Accounts, numbered 1 to 26, form an integral part of these Accounts.

ACCOUNTING POLICIES

FORTH VALLEY NHS BOARD

ACCOUNTING POLICIES

1. Authority

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury, which follows International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in section 29 below.

(a) Standards, amendments and interpretations effective in current year

There are no new accounting standards that have been applied for the first time in 2021-22:

(b) Standards, amendments and interpretation early adopted this year
There are no new standards, amendments or interpretations early adopted this year.

(c) Standards, amendments and interpretation issued but not adopted this year The following standard has been issued but are not yet effective.

IFRS 16 Leases - IFRS 16 Leases supersedes IAS 17 Leases and is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2022. IFRS 16 introduces a single lessee accounting model that results in a more faithful representation of a lessee's assets and liabilities, and provides enhanced disclosures to improve transparency of reporting on capital employed.

Under IFRS 16, lessees are required to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. While no standard definition of 'low value' has been mandated, NHS Scotland have elected to utilise the capitalisation threshold of £5,000 to determine the assets to be disclosed. NHS Forth Valley expects that its existing finance leases will continue to be classified as leases. All existing operating leases will fall within the scope of IFRS 16 under the 'grandfathering' rules mandated in the FReM for the initial transition to IFRS 16. In future years new contracts and contract renegotiations will be reviewed for consideration under IFRS 16 as implicitly identified right-of-use assets. Assets recognised under IFRS 16

will be held on the Statement of Financial Position as (i) right of-use assets which represent the Board's right to use the underlying leased assets; and (ii) lease liabilities which represent the obligation to make lease payments.

The bringing of leased assets onto the Statement of Financial Position will require depreciation and interest to be charged on the right-of-use asset and lease liability, respectively. Cash repayments will also be recognised in the Statement of Cash Flows, as required by IAS 7.

Impact of the new standard

The Board has assessed the impact that the application of IFRS 16would have on the comprehensive net expenditure for the financial year ending 31st March 2023 and on the Statement of Financial Position on that date. The figures below are based on the opening position of existing leases as of 31st March 2022.

The standard is expected to increase total expenditure in 2022-23 by £0.042m. Right of use assets totalling £1.579m will be brought onto the Statement of Financial Position, with an associated lease liability of £1.432m.

IFRS 16 – Impacts to the SoCNE	**2022-23 £000s**
Anticipated Depreciation	681
Interest Expense	66
Expected IAS 17 – basis lease payments expected	(705)
Net Impact to SoCNE in the year to 31 March 2023	**42**

IFRS 16 – Impacts to the SoFP	**2022-23 £000s**
Right of use asset from 1 April 2022	671
Net additions/(disposals) to right of use asset as at 31 March 2023	761
Net Impact to SoCNE in the year to 31 March 2023	**1,432**
Existing IAS 17 operating leases brought on at 1 April 2022 Re-measurement to finance leases	671
brought on at 1 April 2022	761
Net additions/(disposals) to right of use asset as at 31 March 2023	147
Net Liability as at 31March 2023	**1,579**

IFRS 17 Insurance Contracts - Application required for accounting periods beginning on or after 1 January 2021. Standard is not yet adopted by the FReM which is expected to be from April 2023: early adoption is not permitted.

2. Basis of Consolidation

Consolidation
In accordance with IFRS 10 – Consolidated Financial Statements, the Financial Statements consolidate the NHS Forth Valley Endowment Fund.

NHS Endowment Funds were established by the NHS (Scotland) Act 1978. The legal framework under which charities operate in Scotland is the Charities and Trustee Investment (Scotland) Act 2005. Under the 1978 Act Endowment Trustees are also members of the NHS Board. The Board members (who are also Trustees) are appointed by Scottish Ministers.

The NHS Forth Valley Endowment Fund is a Registered Charity with the Office of the Charity Regulator of Scotland (OSCR) and is required to prepare and submit Audited Financial Statements to OSCR on an annual basis.

The basis of consolidation used is Merger Accounting. Any intragroup transactions between the Board and the Endowment Fund have been eliminated on consolidation.

The integration of health and social care services under the terms of the Public Bodies (Joint Working) (Scotland) Act 2014 and associated secondary legislation impacts on Health Board disclosure requirements in the annual accounts.

In accordance with IAS 28 – Investments in Associates and Joint Arrangements, the primary financial statements have been amended for the additional disclosure required to accurately reflect the interest of IJBs using the equity method of accounting.

Note 26 to the Annual Accounts, details how these consolidated Financial Statements have been calculated.

3. Retrospective Restatements

There have been no Retrospective Restatements reflected in the 2021/22 Financial Statements.

4. Going Concern

The accounts are prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future.

5. Accounting Convention

The Accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, intangible assets, inventories, available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value.

6. Funding

Most of the expenditure of the Health Board as Commissioner is met from funds advanced by the Scottish Government within an approved revenue resource limit. Cash drawn down to fund expenditure within this approved revenue resource limit is credited to the general fund.

All other income receivable by the board that is not classed as funding is recognised in the year in which it is receivable.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Non-discretionary funding outwith the RRL is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, dental or ophthalmic services identified by the Scottish Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Statement of Resource Outturn.

Funding for the acquisition of capital assets received from the Scottish Government is credited to the general fund when cash is drawn down.

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those

goods and services. Expenditure is recognised in the Statement of Comprehensive Net Expenditure except where it results in the creation of a non-current asset such as property, plant and equipment.

7. Property, plant and equipment

The treatment of capital assets in the accounts (capitalisation, valuation, depreciation, particulars concerning donated assets) is in accordance with the NHS Capital Accounting Manual.

Title to properties included in the accounts is held by Scottish Ministers.

7.1 Recognition
Property, Plant and Equipment is capitalised where: it is held for use in delivering services or for administrative purposes; it is probable that future economic benefits will flow to, or service potential be provided to, the Board; it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

All assets falling into the following categories are capitalised:

1) Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.

2) In cases where a new hospital would face an exceptional write off of items of equipment costing individually less than £5,000, the Board has the option to capitalise initial revenue equipment costs with a standard life of 10 years.

3) Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total, or where they are part of the initial costs of equipping a new development and total over £20,000.

7.2

Measurement
Valuation:
All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets that are not held for their service potential (i.e. investment properties and assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured subsequently at fair value as follows:

Specialised NHS Land, buildings, equipment, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as specified in the FReM.

Non specialised land and buildings, such as offices, are stated at fair value.

Valuations of all land and building assets are carried out on an annual basis. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government.

Non specialised equipment, installations and fittings are valued at fair value. Boards value such assets using the most appropriate valuation methodology available (for example, appropriate indices). A depreciated historical cost basis as a proxy for fair value in respect of such assets

which have short useful lives or low values (or both).

Assets under construction are valued at current cost. This is calculated by the expenditure incurred to which an appropriate index is applied to arrive at current value. These are also subject to impairment review.

To meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual have been required:

Specialised operational assets are valued on a modified replacement cost basis to take account of modern substitute building materials and locality factors only.

Operational assets which are in use delivering front line services or back office functions, and surplus assets with restrictions on their disposal, are valued at current value in existing use. Assets have been assessed as surplus where there is no clear plan to bring the asset back into future use as an operational asset.

Subsequent expenditure:
Subsequent expenditure is capitalised into an asset's carrying value when it is probable the future economic benefits associated with the item will flow to the Board and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria the expenditure is charged to the Statement of Comprehensive Net Expenditure. If part of an asset is replaced, then the part it replaces is de-recognised, regardless of whether or not it has been depreciated separately.

Revaluations and Impairment:
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together.

Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Gains and losses on revaluation are reported in the Statement of Comprehensive Net Expenditure.

Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure.

7.3 Depreciation

Items of Property, Plant and Equipment are depreciated to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Depreciation is charged on each main class of tangible asset as follows:

1) Freehold land is considered to have an infinite life and is not depreciated.

2) Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Board, respectively.

3) Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.

4) Buildings, installations and fittings are depreciated on

current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.

5) Equipment is depreciated over the estimated life of the asset.

6) Property, plant and equipment held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

Depreciation is charged on a straight line basis and the following asset lives have been used:

Asset Category	Useful Life
Buildings Structure	4 to 70 Years
Buildings Engineering	3 to 35 Years
Buildings External Works	3 to 60 Years
Buildings Revenue Maintained	4 to 90 Years
Plant & Machinery	5 to 15 Years
Information Technology	5 to 8 Years
Furniture & Fittings	7 to 10 Years

8. Intangible Assets

8.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Board's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Board and where the cost of the asset can be measured reliably.

Intangible assets that meet the recognition criteria are capitalised when they are capable of being used in a Board's activities for more than one year and they have a cost of at least £5,000.

The main classes of intangible assets recognised are:

Internally generated intangible assets:

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Board intends to complete the asset and sell or use it; • the Board has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Board to complete the development and sell or use the asset; and
- the Board can measure reliably the expenses attributable to the asset during development.

Expenditure so deferred is limited to the value of future benefits.

Software:
Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Software licences:
Purchased computer software licences are capitalised as intangible assets where expenditure of at least £5,000 is incurred.

8.2 Measurement Valuation:
Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets that are not held for their service potential (i.e. assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured at fair value. Where an active (homogeneous) market exists, intangible assets are carried at fair value. Where no active market exists, the intangible asset is revalued, using indices or some suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost. These measures are a proxy for fair value.

Revaluation and impairment:
Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised in income.

Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure.

Intangible assets held for sale are reclassified to ‘non-current assets held for sale’ measured at the lower of their carrying amount or ‘fair value less costs to sell’.

Operational assets which are in use delivering front line services or back office functions, and surplus assets with restrictions on their disposal, are valued at current value in existing use. Assets have been assessed as surplus where there is no clear plan to bring the asset back into future use as an operational asset.

8.3 Amortisation
Intangible assets are amortised to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Amortisation is charged to the Statement of Comprehensive Net

Expenditure on each main class of intangible asset as follows:

1) Internally generated intangible assets. Amortised on a systematic basis over the period expected to benefit from the project.

2) Software. Amortised over their expected useful life

3) Software licences. Amortised over the shorter term of the licence and their useful economic lives.

4) Other intangible assets. Amortised over their expected useful life.

5) Intangible assets which has been reclassified as 'Held for Sale' ceases to be amortised upon the reclassification.

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Asset Category	Useful Life
Software Licences	5 to 8 Years
Information Technology Software	5 to 8 Years

9. Donated Assets

Non-current assets that are donated or purchased using donated funds are included in the Statement of Financial Position initially at the current full replacement cost of the asset. The accounting treatment, including the method of valuation, follows the rules in the NHS Capital Accounting Manual.

10. Sale of Property, plant and equipment, intangible assets and non-current assets held for sale

Disposal of non-current assets is accounted for as a reduction to the value of assets equal to the net book value of the assets disposed. When set against any sales proceeds, the resulting gain or loss on disposal will be recorded in the Statement of Comprehensive Net Expenditure. Non-current assets held for sale will include assets transferred from other categories and will reflect any resultant changes in valuation.

11. Leasing

Finance leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the Board, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. Assets held under finance leases are valued at their fair values and are depreciated over the remaining period of the lease in accordance with IFRS.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The minimum lease payments (annual rental less operating costs e.g. maintenance and contingent rental) are apportioned between the repayment of the outstanding liability and a finance charge. The annual finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability using either the implicit interest rate or another relevant basis of estimation such as the sum of the digits method. Finance charges are recorded as interest payable in the Statement of Comprehensive Net Expenditure. Contingent rental and operating costs are charged as expenses in the periods in which they are incurred.

Operating leases
Other leases are regarded as operating leases and the rentals are charged to expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to expenditure over the life of the lease.

Leases of land and buildings
Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease unless title to the land is expected to transfer.

12. Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment. Impairment losses charged to the SOCNE are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

13. General Fund Receivables and Payables

Where the Health Board has a positive net cash book balance at the year end, a corresponding creditor is created and the general fund debited with the same amount to indicate that this cash is repayable to the SGHSCD. Where the Health Board has a net overdrawn cash position at the year end, a corresponding debtor is created and the general fund credited with the same amount to indicate that additional cash is to be drawn down from the SGHSCD.

14. Inventories

Inventories are valued at the lower of cost and net realisable value. Taking into account the high turnover of NHS inventories, the use of average purchase price is deemed to represent current cost. Work in progress is valued at the cost of the direct materials plus the conversion costs and other costs incurred to bring the goods up to their present location, condition and degree of completion.

15. Losses and Special Payments

Operating expenditure includes certain losses which would have been made good through insurance cover had the NHS not been bearing its own risks. Had the NHS provided insurance cover, the insurance premiums would have been included as normal revenue expenditure.

16. Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following year.

Pension Costs
The Board participates in the NHS Superannuation Scheme (Scotland). This scheme is an unfunded statutory pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay as specified in the regulations. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the Statement of Comprehensive Net Expenditure represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to the Exchequer. The pension cost is assessed every four years by the Government Actuary and this valuation determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the Statement of Comprehensive Net Expenditure at the time the Board commits itself to the retirement, regardless of the method of payment.

17. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above this threshold are reimbursed to Boards from a central fund held as part of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) by the Scottish Government.

NHS Forth Valley provide for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'Category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in the event of payment by an individual health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

NHS Forth Valley also provides for its liability from participating in the scheme.

The Participation in CNORIS provision recognises the Board's respective share of the total liability of NHSScotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office. The movement in the provisions between financial years is matched by a corresponding adjustment in AME provision and is classified as non-core expenditure.

18. Related Party Transactions

Material related party transactions are disclosed in the Note 24 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 3.

19. Value Added Tax

Most of the activities of the Board are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

20. PFI/HUB/NPD Schemes

Transactions financed as revenue transactions through the Private Finance Initiative or alternative initiatives such as HUB or the Non Profit Distributing Model (NPD) are accounted for in accordance with the HM Treasury application of IFRIC 12, *Service Concession Arrangements,* outlined in the FReM.

Schemes which do not fall within the application of IFRIC 12 are deemed to be off-Statement of Financial Position. Where the Board has contributed assets, a prepayment for their fair value is recognised and amortised over the life of the PFI contract by charge to the Statement of Comprehensive Net Expenditure. Where, at the end of the PFI contract, a property reverts to the Board, the difference between the expected fair value of the residual on reversion and any agreed payment on reversion is built up on the Statement of Financial Position over the life of the contract by capitalising part of the unitary charge each year.

Transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Board. The underlying assets are recognised as Property, Plant and Equipment and Intangible Assets at their fair value. An equivalent liability is recognised in accordance with IAS 17. Where it is not possible to separate the finance element from the service element of unitary payment streams this has been estimated from information provided by the operator and the fair values of the underlying assets. Assets are subsequently revalued in accordance with the treatment specified for their applicable asset categories.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme.

The service charge and the finance cost interest element are charged in the Statement of Comprehensive Net Expenditure.

NHS Forth Valley currently discloses two PFI Properties within its Statutory Accounts. The Clackmannanshire Health Resource Centre and Forth Valley Royal Hospital are accounted for as On-statement of financial position and details of these two service concessions are reported within Note 18bPFI. Stirling Care Village is a HUB Design, Build, Finance and Maintain (DBFM) project and details of this service concession is also reported within Note 18b.

21. Provisions

The Board provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by

HM Treasury.

22. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in Note 14 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in Note 14, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

23. Corresponding Amounts

Corresponding amounts are shown for the primary statements and notes to the financial statements. Where the corresponding amounts are not directly comparable with the amount to be shown in respect of the current financial year, IAS 1 'Presentation of Financial Statements', requires that they should be adjusted and the basis for adjustment disclosed in a note to the financial statements.

24. Financial Instruments

Financial assets

Business model
The Board's business model refers to how it manages its financial assets in order to generate cash flows and is determined at a level which reflects how groups of financial assets are managed to achieve a business objective, rather than assessment of individual instruments.

Classification
When the Board first recognises a financial asset, it classifies it based on its business model for managing the asset and the asset's contractual flow characteristics. The Board classifies its financial assets in the following categories: at fair value through profit or loss, amortised cost, and fair value through other comprehensive income. The default basis for financial assets is to be held at fair value through profit or loss, although alternative treatment may be designated where receivables are held to collect principal and interest and/or for sale.

(a) Financial assets at fair value through profit or loss

This is the default basis for financial assets.

(b) Financial assets held at amortised cost

A financial asset may be held at amortised cost where both of the following conditions are met: i. the financial asset is held within a business model where the objective is to collect contractual cash flows; and
ii. the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

(c) Financial assets at fair value through other comprehensive income

A financial asset may be held at fair value through other comprehensive income where both of the following conditions are met:

i. the financial asset is held within a business model where the objective is to collect contractual cash flows *and* sell the asset; and
ii. the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

Impairment of financial assets

Provisions for impairment of financial assets are made on the basis of expected credit losses. The Board recognises a loss allowance for expected credit losses on financial assets and this is recognised in other comprehensive income, rather than reducing the carrying amount of the asset in the Statement of Financial Position.

Lifetime expected credit losses are recognised and applied to financial assets by the Board where there has been a significant increase in credit risk since the asset's initial recognition. Where the Board does not hold reasonable and supportable information to measure lifetime expected credit losses on an individual instrument basis, the losses are recognised on a collective basis which considers comprehensive credit risk information.

Recognition and measurement

Financial assets are recognised when the Board becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Board has transferred substantially all risks and rewards of ownership.

(a) Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure. Financial assets carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Financial assets held at amortised cost

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of the asset.

(c) Financial assets held at fair value through other comprehensive income

Financial assets carried at fair value through other comprehensive income are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure. Financial assets carried at fair value through other comprehensive income are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in other comprehensive income

Financial Liabilities

Classification
The Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and amortised cost. The Board classifies all financial liabilities as measured at amortised cost, unless:

i. these are measured at fair value on a portfolio basis in accordance with a documented risk management or investment strategy;
ii. they contain embedded derivatives; and/or
iii. it eliminates or reduces 'accounting mismatch' that would otherwise arise from measurement or recognition on an amortised costs basis.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise derivatives. Liabilities in this category are classified as current liabilities. The NHS Board does not trade in derivatives and does not apply hedge accounting.

(b) Financial liabilities held at amortised cost

Financial liabilities held at amortised cost are disclosed in current liabilities, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current liabilities. The NHS Board's financial liabilities held at amortised cost comprise trade and other payables in the Statement of Financial Position.

Recognition and measurement
Financial liabilities are recognised when the NHS Board becomes party to the contractual provisions of the financial instrument.

A financial liability is removed from the Statement of Financial Position when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Amortised costs

Financial liabilities held at amortised cost are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

25. Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments. This has been identified as the senior management of the Board.

Operating segments are unlikely to directly relate to the analysis of expenditure shown in Note 3.

26. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position. Where the Government Banking Service is using Natwest and Royal Bank of Scotland Group to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

27. Foreign exchange

The functional and presentational currencies of the Board are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Board has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expenditure in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

28. Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Board has no beneficial interest in them.

However, they are disclosed in Note 25 to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

29. Key sources of judgement and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Board makes judgements in applying accounting policies. The estimates, assumptions and judgements that have a

significant risk of a causing material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed below.

Judgements

Pfi/ Hospitals and Hub – when considering the application of IFRIC 12 for the Forth Valley Royal Hospital and Clackmannanshire Health Resource Pfi facilities, and also the Stirling Care Village Hub arrangement, judgements were made regards the Interpretation of IFRIC 12 that gives guidance on the accounting by operators for public-to-private service concession arrangements. It is the Board's view that they control and regulate what services the operator must provide with the infrastructure, to whom it must provide them, and at what price, and hence the application of IFRIC 12 is appropriate.

Clinical and Medical Negligence - The Scottish Government provides Risk Levels via Central Legal Office returns on a quarterly basis for all clinical and medical negligence claims lodged against NHS Forth Valley. All Risk Level 3 and 50% of Risk Level 2 claims are Provided for within Note 13 of the accounts, and all Level 1 and the remaining 50% of Level 2 claims are presented as Contingent Liabilities within Note 14 of the accounts.

Estimates

Pensions: Future Pension payments are estimated using a discount rate provided by HM Treasury and life tables provided by the Office for National Statistics (ONS). Any future significant changes to the discount rate or the life tables could have a material impact on the level of provision required;

Clinical and Medical Negligence Provision: The clinical and medical negligence provision is calculated using information received from the Central Legal Office regarding claims they have received relating to NHS Forth Valley. As per Note 13 of the accounts the carrying value of the Clinical and Medical Negligence Provision as at 31st March 2022 is £42.708m

Revaluation of Land and Buildings: the Board commissioned a full revaluation of the NHS Forth Valley estate as at 31st March 2022, with draft valuations being carried out by the Valuation Office Agency (VOA) during November and December 2021, and final valuations during March 2022. Judgements are made about the status of property which affects the valuation methodology based on Royal Institute of Chartered Surveyors (RICS) guidance, International Financial Reporting Standards (IFRS) as interpreted, and also guidance contained within the HM Treasury Financial Reporting Manual (FREM). The carrying value of Land and Buildings at 31st March 2022 as per Note 7(a) to the accounts was £536.570m.

The pandemic and the measures taken to tackle Covid-19 continued to affect economies and real estate markets globally during 2021/22. Nevertheless, as at the valuation date of 31st March 2022 some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. This explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared.

Useful Live of Property, **Plant & Equipment (PPE):** as shown in note 7(a), property plant and equipment (PPE) is material to these

consolidated accounts. At section 7.3 of this note we disclose, for each category of PPE, the lowest minimum and the highest maximum in the ranges of useful lives used by NHS Forth Valley. Useful lives are the period over which assets are depreciated.

30. Events after the Reporting Period

Events that have occurred after the reporting period up to the authorised for issue date have been considered in the financial statements. Events can be adjusting or non-adjusting. Adjusting events are events that provide evidence of conditions that existed at the reporting date, and material adjusting events are reflected in the financial statements and notes. Non-adjusting events are events that are indicative of conditions that arose after the reporting date, and material non-adjusting events are disclosed in the financial statements or notes. There were no adjusting or non-adjusting events in 2022/23.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

1c. IMPACT OF NEWLY ISSUED IFRS BUT NOT ADOPTED ON THE FINANCIAL STATEMENTS

DISCLOSURE OF IFRS 16

IFRS 16 Leases supersedes IAS 17 Leases and is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from **1 April 2022**. IFRS 16 introduces a single lessee accounting model that results in a more faithful representation of a lessee's assets and liabilities, and provides enhanced disclosures to improve transparency of reporting on capital employed.

Under IFRS 16, lessees are required to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. While no standard definition of 'low value' has been mandated, NHS Scotland have elected to utilise the capitalisation threshold of £5,000 to determine the assets to be disclosed. NHS [Board] expects that its existing finance leases will continue to be classified as leases. All existing operating leases will fall within the scope of IFRS 16 under the 'grandfathering' rules mandated in the FReM for the initial transition to IFRS 16. In future years new contracts and contract renegotiations will be reviewed for consideration under IFRS 16 as implicitly identified right-of-use assets. Assets recognised under IFRS 16 will be held on the Statement of Financial Position as (i) right of-use assets which represent the Board's right to use the underlying leased assets; and (ii) lease liabilities which represent the obligation to make lease payments.

The bringing of leased assets onto the Statement of Financial Position will require depreciation and interest to be charged on the right-of-use asset and lease liability, respectively. Cash repayments will also be recognised in the Statement of Cash Flows, as required by IAS 7.

Impact of the new standard

The Board has assessed the impact that the application of IFRS 16 would have on the comprehensive net expenditure for the financial year ending 31 March 2023 and on the Statement of Financial Position at that date. The figures below are based on the opening position of existing leases as of 31 March 2022.

The standard is expected to increase total expenditure in **2022-23** by £0.042 million. Right-of-use assets totalling £1.579 million will be brought onto the Statement of Financial Position, with an associated lease liability of £1.432 million.

	next year £000s
IFRS 16 – Impacts to the SoCNE Anticipated depreciation	681
Interest expense expected	66
IAS 17- basis lease payments expected	(705)
Net impact to SoCNE in the year to 31 March 2023	42

	£000s
IFRS 16 – Impacts to the SoFP Right of use asset from 1 April 2022	671
	761
Net additions/(disposals) to right-of-use asset as at 31 March 2023	1,432
Net impact to SoCNE in the year to 31 March 2023	
	671
Existing IAS 17 operating leases brought on at 1 April 2022	761
Re-measurements to finance leases brought on at 1 April 2022	1
Net additions/(disposals) to lease liability as at 31 March 2023	147
Net liability as at 31 March 2023	1,579

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

REVENUE RESOURCE OUTTURN £'000	**2022 2022 2a. SUMMARY OF CORE Note**	**2022 £'000**
Net expenditure		774,603
SoCNE Total non core expenditure (see below)		(21,202)
Family Health Services non-discretionary allocation Endowment net expenditure		(40,799)
Associates and joint ventures accounted for on an equity basis **Total Core Expenditure**		(77) 17,249
Core Revenue Resource Limit		**729,774**
Saving/(excess) against Core Revenue Resource Limit		730,064 **290**

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

Capital	grants	to	/	(from)	other	bodies		
1,764	Depreciation	/	amortisation					
9,299	Annually	Managed	Expenditure	-	impairments			
(38)	Annually	Managed	Expenditure	-	provisions			
876	Annually	Managed	Expenditure	-	depreciation	of	donated	assets
23	Annually	Managed	Expenditure	-	pension	valuation		
0	Annually	Managed	Expenditure	-	fair	value	adjustments	
0	Additional	Scottish	Government	non-core	funding			
293	Donated	assets	income					
0	IFRS	PFI	expenditure					
8,985								
Total	**Non**	**Core**	**Expenditure**					
21,202	Non	Core	Revenue	Resource	Limit			
21,202	**Saving/(excess)**	**against**	**Non**	**Core**	**Revenue**	**Resource**	**Limit**	
0								

SUMMARY RESOURCE OUTTURN	**Resource £'000**	**Expenditure £'000**	**Saving/ (Excess) £'000**
	730,064	729,774	290
Core	21,202	21,202	0
Non Core	**751,266**	**750,976**	**290**
Total			

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

2b. NOTES TO THE CASHFLOW STATEMENT

Consolidated adjustments for non-cash transactions

2021 £'000		2022 Note	2022 £'000
	Expenditure Not Paid In Cash		
18,633			7a
Depreciation 291			18,116 6
Amortisation			307 7a
23	Depreciation of donated assets		23 2,085
2,926	Impairments on PPE charged to SoCNE		0
0	Net revaluation on PPE charged to SoCNE		(1,198
(207)	Reversal of impairments on PPE charged to SoCNE		)
0	Impairments on intangible assets charged to SoCNE	6	0
0	Net revaluation on intangible assets charged to SoCNE	6	0
0	Reversal of impairments on intangible assets charged to SoCNE	6	0
			7b
0	Loss on re-measurement of non-current assets held for sale 0 Funding Of Donated Assets		0 7a 0 0
0	Loss / (profit) on disposal of intangible assets		0
0	Loss / (profit) on disposal of property, plant and equipment 0 Impairment of investments charged to SoCNE	10 10	0
0	GP Loans fair value adjustment	92	
(11,797)	Associates and joint ventures accounted for on an equity basis 4,514 Other		(17,249) (1,225)
14,383	**Total Expenditure Not Paid In Cash**	CFS	**951**

Interest payable recognised in operating expenditure

2021 £'000		2022 Note	2022 £'000
	Interest Payable		
0	Interest on late payment of commercial debt		0
0	Bank and other interest payable		0
14,770	PFI Finance lease charges allocated in the year 226 Other Finance lease charges allocated in the year 424 Provisions - Unwinding of discount	18b 14,366	116 (71)
15,420	**Net Interest payable**		**14,411**

Consolidated movements in working capital

2021 Net Movement £'000		Note	Opening Balances £'000	Closing Balances £'000	2022 Net Movement £'000
	INVENTORIES			2,012	
77	Balance Sheet		8 1,845	**2,012**	(167)
77	**Net Decrease/(Increase)**				**(167)**
	TRADE AND OTHER RECEIVABLES				
2,871	Due within one year		9 15,361	16,816	
1,557	Due after more than one year		9 38,578	40,831	(1,455)
					(2,253)
0	Less: Property, Plant & Equipment (Capital) included in above 0 Less: Intangible Assets (Capital) included in above	9	0 0 0	0 0 0	0 0 0
0	Less: General Fund Debtor included in above				
4,428	**Net Decrease/(Increase)**		**53,939**	**57,647**	**(3,708)**
	TRADE AND OTHER PAYABLES				
30,630	Due within one year				
(10,111)	Due after more than one year				
(5,733)	Less: Property, Plant & Equipment (Capital) included in above 0 Less: Intangible Assets (Capital) included in above				
0	Less: Bank Overdraft				

5					I
	Less:			General	Fund

Creditor included in above	9,812	Less: Lease and PFI Creditors included in above		163,21	47,86
	0	Less: Interest payable included in above	115,354 12	6	2
			312,673 (7,907)	302,79	(9,874
			0	9	)
			12 0	(14,685	(6,778
			12	) 0	) 0
			(35) 12	0	0
			(322,265) 12 0	(37	(2)
				)	9,71
				(312,551	4 0
				) 0	
24,603		**Net (Decrease)/Increase**	**97,820**	**138,742**	**40,922**
		PROVISIONS			
1,386		Statement of Financial Position	13a		87,897
	0	Transfer from Provision to General	83,651 0		4,246 0
Fund	**1,386**	**Net (Decrease)/Increase**	**83,65 1**		0 **87,897 4,246**
30,494		**NET MOVEMENT (Decrease)/Increase**	CFS	**(166,980)**	**41,293**
			(125,687)		

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

3.OPERATING EXPENSES

3a. Employee Expenditure

Consolidated 2021 £'000		Consolidated 2022 £'000
70,975	Medical and Dental Nursing	75,978
150,149	Other Staff	162,915
103,378	**Total**	108,989
324,502		**347,882**

Further detail and analysis of employee costs can be found in the Remuneration and Staff Report, forming part of the Accountability Report.

3b. Other Operating expenditure

2021 £'000		7,648 151 315	
	625,556		**Independant Primary Care Services:**
	841,225		
51,911			General Medical Services
16,984			Pharmaceutical Services
20,628			General
5,996			Dental
95,519			Services
58,297			
38,339			
6,330			
17,184			
120,150			
357,161			
53,201			
250			
746			
5,753			
20,362			
0			
46,856			
5,504			
51,807			
18,947			
52,840			
4,015			

	medical supplies:	**2022 £'000**
	Prescribed drugs Primary Care Prescribed drugs	**0**
	Secondary Care PPE and Testing Kits	52,378
	Medical Supplies	15,666
	Total	21,522
General Ophthalmic Services	**Other health care expenditure**	
	Contribution to Integration Joint Boards	5,937
	Goods and services from other NHSScotland bodies Goods and services from other UK NHS bodies Goods and services from private providers	**95,503**
	Goods and services from voluntary organisations Resource Transfer	55,752
	Loss on disposal of assets Other operating expenses Rates	46,486
	PFI & Finance Lease Costs Depreciation	5,922
	Local Authority Costs	21,483
	Compensation Payments - Clinical Property Related	**129,643**
	External Auditor's remuneration - statutory audit fee Endowment Fund expenditure	340,119
	Total	54,311,433
	Total Other Operating Expenditure	1,513,6608
		21,688,0
		83,694,5207
		51,156,18,446
Total		31,534,6,406,0
Drugs and		15,4,33,5
		621,604
		846,750

There are no other Services provided by the External Auditors.

There are certain primary care costs (i.e. FHS) that were based on prior year uplift, rather than actuals.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

4. OPERATING INCOME

Consolidated 2021 £'000		Consolidated 2022 £'000
159	Income from Scottish Government	854
27,55	Income from other NHS Scotland	31,14
7 196	bodies Income from NHS non-	3 405
0	Scottish bodies	0
357,16	Income from private patients	340,11
1 761	Income for services commissioned by Integration Joint	9 2,304
1,395	Board Patient charges for primary care	2,898
0	Donations	0
3,62	Profit on disposal of assets	6,28
0 44	Contributions in respect of clinical and medical negligence claims	6 18
	Interest received **CFS**	
0	**Non NHS:**	3
56	Overseas patients (non-reciprocal)	43
8	Non-patient care income generation	2
43	schemes Endowment Fund Income	25
8	Other	8
11,11 6	**Total Income**	18,06 0
403,0 15	**SoCNE**	**402,7 80**

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

5. SEGMENT INFORMATION

Segmental information as required under IFRS has been reported for each strategic objective

	Clinical Services	Corporate Functions & Facilities	Externals/ Cross Boundary Flow	Clacks/ Stirling HSCP (Operational & Universal)	Falkirk HSCP Unallocated (Operational & Universal)		2022
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Net operating cost	291,636	130,505	44,340	150,576	157,546	0	**774,603**
If reported to Senior Management also disclose;							
Total assets	0	0	0	0	0	639,430	**639,430**
Total liabilities	0	0	0	0	0	(553,825)	**(553,825)**
Total segment revenue		16,637		15,141	2,443		**52,263**
Inter-segment revenue		13,622	0	0	4,420	0	**0**
Revenue from external sources		0	16,637	15,141	0	2,443	**52,263**
			13,622		4,420	0	**0**
						0	
Impairment losses recognised in SoCNE	0	(177)	0	0	0		**(177)**
Impairment losses recognised in Reserves	0	0	0	0	0	0	**0**
Impairment reversals recognised in SoCNE	0	0	0	0	0	0	**0**
Impairment reversals recognised in Reserves	0	0	0	0	0	0	**0**
Depreciation and amortisation	0	18,446	0	0	0	0	**18,446**
Interest income	0	0	0	0	0	0	**0**
Interest expense	0	556	0	0	0	0	**556**
Non-current assets held for sale	0	0	0	0	0	0	**0**
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)							**0**

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH

2022 5. SEGMENT INFORMATION - PRIOR YEAR

Segmental information as required under IFRS has been reported for each strategic objective

	Clinical Services	Corporate Functions & Facilities	Externals/ Cross Boundary Flow	Clacks/ Stirling HSCP (Operational & Universal)	Falkirk HSCP Unallocated (Operational & Universal)		202
	£'000	£'000 £'000	£'000		£'00 0	1 £'000 £'000	
Net operating cost	267,726	143,824	41,313	142,797	155,255	0	**750,915**
If reported to Senior Management also disclose;							
Total assets	0	0	0	0	0	628,13 8	**628,138**
Total liabilities	0	0	0	0	0	511,67 8	**511,678**
Total segment		12,469	14,361		1,860		**44,01**
revenue Inter-		12,608 0	0		2,716 0		**4 0**
segment revenue		0 12,469	14,361		0 1,860	0	**44,01**
Revenue from external sources			12,608		2,716	0	**4**
						0	
Impairment losses recognised in SoCNE	0	1,093	0	0	0		**1,09**
Impairment losses recognised in	0	0	0	0	0	0	**3**
Reserves Impairment reversals	0	0	0	0	0	0	**0**
recognised in SoCNE Impairment	0	0	0	0	0	0	**0**
reversals recognised in Reserves	0	18,947	0	0	0	0	**0**
Depreciation and amortisation	0	0	0	0	0	0	**18,94**
Interest	0	0	0	0	0	0	**7**
income	0	355	0	0	0	0	**0**
Interest						0	**0**
expense							**355**
Non-current assets held for sale	0	0	0	0	0		
Additions to non-current assets (other than financial instruments and deferred tax assets) (i.e. capital expenditure)						0	**0**

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

6a. INTANGIBLE ASSETS (NON-CURRENT) - CONSOLIDATED

	Software Licences 2021 £'000	IT - software scheme 2021 £'000	CRC 2021 £'000	Websites 2021 £'000	Assets Under Development 2021 £'000	Total 2021 £'000
Cost or Valuation:						
As at 1st April	1,046	5,188	0	0	0	
2021 Additions		6,234	0	0	0	0
Donations	0	0	0	0	0	
Completions	0	0	0	0	0	
Asset Transfers (to) / from other SG Consolidation	0	0	0	0	0	
Entities Transfers between asset categories	0	0	0	0	0	
Transfers (to) / from non-current assets held	0	0	0	0	0	
for sale Revaluations	0	0	0	0	0	
Impairment	0	0	0	0	0	
charges	0	0	0	0	0	
Impairment	0	0	0	0	0	
reversals Disposals	0					
At 31st March 2022	**1,046**	**5,188**	**0**	**0**	**0**	**6,234**
Amortisation						
As at 1st April 2021	1,046	4,185	0	0	0	
Provided during the		5,231	0	307	0	0
year	307	0	0	0	0	
Asset Transfers (to) / from other SG Consolidation	0	0	0	0	0	
Entities Transfers between asset categories	0	0	0	0	0	
Transfers (to) / from non-current assets held	0	0	0	0	0	
for sale Revaluations	0	0	0	0	0	
Impairment	0	0	0	0	0	
charges	0	0	0	0	0	
Impairment	0					
reversals Disposals	**1,046**	**4,492**	**0**	**0**	**0**	**5,538**
At 31st March 2022	**0**	**1,003**	**0**	**0**	**0**	**1,003**
Net Book Value at 1st April 2021						
Net Book Value at 31 March 2022						

development Information technology - software
Websites

SoFP

Classification of Assets under

0	**696** **696**	**0**	**0**	**0**	**t Book Value** **£'000**
			N **e**		0 0 **0**

6a. INTANGIBLE ASSETS (NON-CURRENT) cont. - CONSOLIDATED PRIOR YEAR

		Software Licences 2020 £'000	Information technology - software scheme 2020 2020 £'000	CRC £'000		Websites 2020 £'000	Assets Under Development Total 2020 £'000	2020 £'000
Cost or Valuation:								
As at 1st April		1,046	5,062	0	0		0	
2020 Additions			6,108	0	126	0	0	0
Donations		126	0	0	0	0	0	
Completions		0	0	0	0	0	0	
Asset Transfers (to) / from other SG Consolidation		0	0	0	0	0	0	
Entities Transfers between asset categories		0	0	0	0	0	0	
Transfers (to) / from non-current assets held		0	0	0	0	0	0	
for sale Revaluations		0	0	0	0	0	0	
Impairment		0	0	0	0	0	0	
charges		0	0	0	0	0	0	
Impairment		0	0	0	0	0	0	
reversals Disposals		0						
At 31st March 2021		**1,046**	**5,188**	**0**	**0**	**0**	**6,234**	
Amortisation								
As at 1st April 2020		1,046	3,894	0	0		0	
Provided during the			4,940	0	291	0	0	0
year		291	0	0	0	0	0	
Asset Transfers (to) / from other SG Consolidation		0	0	0	0	0	0	
Entities Transfers between asset categories		0	0	0	0	0	0	
Transfers (to) / from non-current assets held		0	0	0	0	0	0	
for sale Revaluations		0	0	0	0	0	0	
Impairment		0	0	0	0	0	0	
charges		0	0	0	0	0	0	
Impairment		0						
reversals Disposals		**1,046**	**4,185**	**0**	**0**	**0**	**5,231**	
At 31st March 2021								
		0	**1,168**	**0**	**0**	**0**	**1,168**	
Net Book Value at 1st April 2020								
Net Book Value at 31 March 2021	**SoFP**	**0**	**1,003**	**0**	**0**	**0**	**1,003**	

NHS Forth Valley Endowment Funds do not have any Intangible Assets

Classification of Assets under development Information technology - software
Websites

Net Book Value	0
£'000	0
	0

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

6b. INTANGIBLE ASSETS (CURRENT) - CONSOLIDATED AND BOARD

	Consolidated		Consolidated	
	Board 2021		Board 2022	
	2021		2022 £'000	
Note	£'000		£'000	
	£'000			
SoFP	0	0	0	0

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

7. (a) PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED

		Land (including under buildings) 2022 £'000	Buildings (excluding dwellings) 2022 £'000	Dwellings 2022 £'000	Transport Equipment 2022 £'000	Plant & Machinery 2022 £'000	Information Technology 2022 £'000	Furniture & Fittings 2022 £'000	Assets Under Construction	Total 2022 £'000	2022 £'000
Cost or valuation											
At 1 April 2021		22,211	496,938	454		38		28,624	3,359	619,65	
Additions -		0	2,444			66,322	0	1,712	2,103	7,596	8
purchased		0	0	0		2,907	0	0	0	0	15,050
Additions - donated		0	0	507		0	0	608	0	(2,748	0
Completions		0	0	0		1,633	0	0	0	) 0	0
Asset Transfers (to) / from other SG Consolidation		0	0	0		0	0	0	0	0	0
Entities Transfers between asset categories		0	0	0		0	0	0	0	0	0
Transfers (to) / from non-current assets held		0				0	0	0	0	0	0
for sale Revaluations			(112)	21,627		0	0	(1,429)	0	0	21,520
Impairment charges			5 (2)	(2,592)		(1,978)	0	0	0	0	(6,001)
Impairment				0		0	0	0	0	0	0
reversals Disposals		0	0	0		(1,726)	0	0	0	0	(1,779)
- purchased		0	(53)	0		0	**38**	**29,906**		**8,20**	0
Disposals - donated		0	0	0		**67,158**				**7**	**648,44**
At 31 March 2022		**22,097**	**518,871**					**1,712**			**8**
			459								
Depreciation At 1 April						38				0	
2021						43,951	0			0	67,84
Provided during the year -		0	4,667	0		3,912	0	17,480		0	8
purchased Provided during the		0		12,156		16	0	1,712	2,025	0	18,11
year - donated		23	0	7	0	0	0	0	0	0	6 23
Asset Transfers (to) / from other SG Consolidation		0	0	0	0	0	0	0	0	0	0
Entities Transfers between asset categories		0	0	0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held		0	0	0	0	(1,978)	0	(1,429)		0	0
for sale Revaluations		0		(11,739)	0	650	0	0	506	0	(15,169
Impairment charges		(23)	0	927	0	0	0	0	0	0	) 2,083
Impairment		0	(1,198)	0	0	(1,726)	0	0	0	0	(1,198)
reversals Disposals		0	(53)	0	0	0	**38**	0	0	**0**	(1,779)
- purchased		0	0	0	0	**44,825**		0	0		0
Disposals - donated		**0**	**4,767**	**0**	**0**			**18,582**		**3,35**	**69,924**
At 31 March 2022		**22,211**	**492,271**			**0**		**1,712**		**9**	**551,810**
			454								
Net book value at 1 April 2021						**22,371**		**11,144**			
Net book value at 31 March 2022	**SoFP**	**22,097**	**514,104**	**459**	**0**	**22,333**		**11,324**	**0**	**8,207**	**578,524**

Open Market Value of Land in Land and Dwellings Included Above

Asset financing:

Note

1,650	**0**	The Retained Estate comprises land (£1.650m at 31 March 2022) which was primarily intended for use by NHS Forth Valley but is now suplus to requirements and is therefore held at Market Value.																	
Owned - purchased		22,097		63,959		459		0		22,282			0		8,207				
Owned - donated		0		196						11,324		0			128,328		0		
Held on finance		0	0	7,535		51					0	0		0		247	0		
lease		0	0	442,414		0					0	0		0		7,535	0		
On-balance sheet PFI contracts		0				0					0	**0**		0		442,414	**0**	**8,207**	
Net book value at 31 March 2022		**22,097**		**514,104**		**459**				**22,333**						**578,524**			

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

7. (a) PROPERTY, PLANT AND EQUIPMENT - CONSOLIDATED PRIOR YEAR

		Land (including under buildings) 2021 £'000	Buildings (excluding dwellings) 2021 £'000	Dwellings 2021 £'000	Transport Equipment 2021 £'000	Plant & Machinery 2021 £'000	Information Technology 2021 £'000	Furniture & Fittings 2021 £'000	Assets Under Construction 2021 £'000	Total 2021 £'000
Cost or valuation At 1 April 2020		22,252	518,942	489	3	60,153	25,472	1,712	0	629,061
Additions - purchased		0	2,326	0	8	6,169	5	0	3,359	15,003
Additions - donated		0	0	0	0	0	3,149	0	0	3,149
Completions		0	0	0	0	0	0	0	0	0
Asset Transfers (to) / from other SG Consolidation		0	0	0	0	0	0	0	0	0
Entities Transfers between asset categories		0	0	(7)	0	0	0	0	0	(7)
Transfers (to) / from non-current assets held for sale		461	(334)		0	0	0	0	0	127
Revaluations					0		0			0
Impairment charges		(5)	(23,934)		(0)	(0)	(0)	(0)		(23,939)
Impairment reversals			(28)	92	0	0	0	0		64
Disposals - purchased		0	0		0					0
Disposals - donated		(589)	(62)	0	0	0	0	0		(651)
At 31 March 2021		0	0		0	0		0		0
		22,211	**496,938**		**38**	**66,322**	**28,624**		**3,359**	**619,658**
Depreciation At 1 April 2020			**454**			**1,712**				0
Provided during the year - purchased			0	4,850	38	39,565	14,317			60,482
Provided during the year - donated			0	12,613		1,712	0	3,934		18,633
Asset Transfers (to) / from other SG Consolidation			23	7	2,063		0	16		23
Entities Transfers between asset categories			0	0	0		0	0		0
Transfers (to) / from non-current assets held for sale			0	0	0		0	0		0
Revaluations			0	(14,073)	0		0	0		(14,073)
Impairment charges			(23)	1,385	0		0	436		1,798
Impairment reversals			0	(115)	1,100		0	0		985
Disposals - purchased			0	0	0		0	0		0
Disposals - donated			0	0	0		0	0		0
At 31 March 2021			0		0					0
		0	**4,667**	**0**	**38**	**43,951**	**17,480**		**0**	**67,848**
Net book value at 1 April 2020		**22,252**	**514,092**	**489**	**0**	**20,588**	**11,158**	**0**		**568,579**
Net book value at 31 March 2021	**SoFP**	**22,211**	**492,271**	**454**	**0**	**22,371**	**11,144**	**0**	**3,359**	**551,810**
Open Market Value of Land and Dwellings Included Above		**1,675**		**0**						
Asset financing:										

Note

The Retained Estate comprises land (£1.675m at 31 March 2021) which was primarily intended for use by NHS Forth Valley but is now suplus to requirements and is therefore held at Market Value.

Owned - purchased	22,211	63,244	454	0	22,304		0	3,359								
Owned - donated	0	186			11,144	0		122,716	0							
Held on finance	0	0	6,185	67		0	0	0		253	0					
lease	0	0	422,656	0		0	0	0		6,185	0					
On-balance sheet PFI contracts	0			0		0	**0**	0		422,656	**0**	**3,359**				
Net book value at 31 March 2021	**22,211**	**492,271**	**454**		**22,371**	**11,144**				**551,810**						

7 (b). ASSETS HELD FOR SALE

NHS Forth Valley have no Assets held for Sale as at 31 March 2022 or 31 March 2021.

7. (c) PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

Consolidated 2021 £'000	Board 2021 £'000			Consolidated 2022 £'000	Board 2022 £'000
		Net book value of property, plant and equipment			
551,557	551,557	**at 31 March** Purchased		578,277 7a	578,277
253	253	Donated		247 7a	247
551,810	**551,810**	**Total**	**SoFP**		**578,524**
1,675	1,675	Net book value related to land valued at open market value at 31 March		1,650	1,650
0	0	Net book value related to buildings valued at open market value at 31 March		0	0
		Total value of assets held			
6,185	6,185	**under:** Finance Leases		7,535	7,535
0	0	Hire Purchase		0	0
422,656	422,656	Contracts PFI and PPP		442,414	442,414
		Contracts			
428,841	428,841			449,949	449,949
		Total depreciation charged in respect of assets held under: Finance leases			
512	512	Hire Purchase		442	442
0	0	Contracts PFI and PPP		0	0
9,532	9,532	contracts		9,124	9,124
10,044	10,044			9,566	9,566

All land and buildings were revalued by an independent valuer, The Valuation Office Agency at 31st March 2022 on the basis of fair value (market value or depreciated replacement cost where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statetment of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS. The net impact was an increase of £29.803m, (2020/2021 decrease of £12.465m) of which £30.690m was credited to the revaluation reserve (2020-21: £9.746m debited). Impairment of £0.887m (2020/2021 £2.719m) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

7d. ANALYSIS OF CAPITAL EXPENDITURE

Consolidated 2021 £'000		Note	Consolidated 2022 £'000
	EXPENDITURE		
126	Acquisition of intangible assets		6
0 15,003	Acquisition of property, plant and equipment		7a
15,050 0	Donated asset additions		7a
			0
		0	GP Sustainability Loans
0 **15,129**	**Gross Capital Expenditure**		**15,050**
	INCOME		
0	Net book value of disposal of intangible assets		6
0 651	Net book value of disposal of property, plant and equipment		7a
0 0	Net book value of disposal of donated assets		7a
			0
0	Value of disposal of non-current assets held for sale		7b
		0 0	Donated asset income
			0
651	**Capital Income**		
0			
14,478	**Net Capital Expenditure**		
15,050			

SUMMARY OF CAPITAL RESOURCE OUTTURN

	14,478	Core capital expenditure included above
15,050	14,478	Core Capital Resource Limit
		15,050
0	**Saving/(excess) against Core Capital Resource Limit**	
0		
	0	Non Core capital expenditure included above
	0 0	Non Core Capital Resource Limit
		0
0	**Saving/(excess) against Non Core Capital Resource Limit**	
0		
	14,478	Total Capital Expenditure
15,050	14,478	Total Capital Resource Limit
		15,050
0	**Saving/(excess) against Total Capital Resource Limit**	

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

8. INVENTORIES

Consolidated 2021 £'000			Consolidated 2022 £'000
1,845	Raw Materials and Consumables		2,012
0	Work in Progress		0
0	Finished Goods		0
1,845	**Total Inventories**	SoFP	**2,012**

NHS Forth Valley Endowment Funds do not hold any Stock.

9. TRADE AND OTHER RECEIVABLES

Consolidated				Consolidated	
Board 2021	2021			Board 2022	2022
£'000		Receivables due within one year NHSScotland	Note	£'000	£'000
	£'000	SGHSCD			128
		Boards			128
		Total NHSScotland Receivables			3,754
98	98	NHS Non-Scottish			3,754
	1,865	Bodies General Fund		**3,882**	**3,882**
	1,865	Receivable VAT			
		recoverable			89
1,963		Prepayments			89
		Accrued income			0
1,963		Other			2,456
		Receivables			2,456
	39	Reimbursement of			890
	39	provisions Other Public			890
	0	Sector Bodies			728
	1,666				3,905
	1,666	**Total Receivables due within one year**			3,863
	1,851				3,149
	1,851				3,149
	420				1,717
	420				1,717
	5,221	**Receivables due after more than one year NHSScotland**	SoFP	**16,816**	**16,774**
	5,130	- SGHSCD			
	954	- Boards			
	954				
	3,247	**Total NHSScotland Receivables**			0
	3,247				0
15,361		Other Public Sector			0
		Bodies Prepayments			0
15,270		Accrued income			0
		Reimbursement of		**0**	**0**
		Provisions			
				0	0
	0				60
	0	**Total Receivables due after more than one year**			60
	0				893
					893
		TOTAL RECEIVABLES		39,878	39,878
0	**0**		SoFP	**40,831**	**40,831**
	0				
	0			**57,647**	**57,605**
	0				
940	940				
	37,638				
	37,638				
38,578					
38,578					
53,939					
53,848					
30	30	The total receivables figure above includes a provision for impairments of :		30	30
	1,865	**WGA**			3,754
	1,865	**Classification**			3,754
	1,764	NHSScotland			2,584
	1,764	Central Government			2,584
	3,247	Bodies Whole of			1,717
	3,247	Government Bodies			1,717
	39	Balances with NHS Bodies in England and			89
	39	Wales Balances with bodies external to			89
	47,024	Government			49,503
	46,933	**Total**			49,461
53,939				**57,647**	**57,605**
53,848					

2021	2021		2022	2022
£'000		Movements on the provision for impairment of receivables are as follows:	£'000	£'000
	£'000			30
		At 1 April		30
	30	Provision for impairment		21
	30	Receivables written off during the year as		(21)
	8	uncollectible Unused amounts reversed		0
	8			0
	(8)	At 31 March	**30**	**30**
	(8)			
	0			
	0			
30				
30				

As of 31 March 2022, receivables with a carrying value of £30K (2020-21: £30K) were impaired and provided for. The

aging of these

2021	2021	receivables is as follows:	2022	2022
	£'000		£'000	
	£'000 6	3 to 6 months past		
	6	due Over 6 months	£'000	12
24	24	past due	12	18
			18	
30				
			30	30
30				

The receivables assessed as individually impaired were mainly overseas patients and private individuals and it was assessed that not all of the receivable balance may be recovered.

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2022, receivables with a carrying value of £2,599K (2020-21: £3121K) were past their due date but not impaired. The ageing of receivables which are past due

2021	2021	but not impaired is as follows:	2022	2022
	£'000			£'000
	£'000 2,269	Up to 3 months past	£'000	1,440
	2,269 666	due 3 to 6 months		1,440 185
	666 186	past due Over 6		185 974
	186	months past due		974
3,121			2,599	2,599
3,121				

9. TRADE AND OTHER RECEIVABLES, Contd.

The receivables assessed as past due but not impaired were mainly NHS Scotland Health Boards, Local Authorities and Universities and there is no history of default from these customers recently.

Concentration of credit risk is limited due to customer base being large and unrelated/government bodies. Due to this, management believe that there is no future credit risk provision required in excess of the normal provision for doubtful receivables.

The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit rating is available, historical information about counterparty default rates is used.

Receivables that are neither past due nor impaired are shown by their credit risk below;

2021	2021		2022	2022
£'000			**£'000**	
£'000		Counterparties with no external credit rating:	**£'000**	
0	0	New customers	0	0
0	0	Existing customers with no defaults in the past	0	0
18,558		Existing customers with some defaults in the past	18,599	18,599
18,558		Total neither past due or impaired	0	0
0	0		**18,599**	**18,599**
18,558				
18,558				

The maximum exposure to credit risk is the fair value of each class of receivable.

The NHS Board does not hold any collateral as security.

2021	2021		2022	2022
	£'000	The carrying amount of receivables are denominated in the following currencies:		**£'000**
£'000	53,939	Pounds	**£'000**	50,147
53,848	0	Euros	50,105	0
	0	US Dollars	0	7,500
0	0			7,500
53,939			**57,647**	**57,605**
53,848				

All non-current receivables are due within six years (2020-21: six years) from the balance sheet date.

The carrying amount of short term receivables approximates their fair value.

The fair value of long term other receivables is £0 (2020-21: £0)

The effective interest rate on non-current other receivables is 3.5% (2020-21: 3.5%). Pension liabilities are discounted at 1.55% (2020-21: 1.25%)

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

10. INVESTMENTS

Consolidated Board 2021 2021 £'000 £'000				Consolidated Board 2022 2022 £'000 £'000	
0	0	Government		0	0
	3,371	securities Other			3,800
	355				556
3,371		**TOTAL**		**3,800**	
355		**SoFP**		**556**	
	2,742	At 1 April			3,371
	355 774	Additions	**CFS**		355 813
	0	GP Loans advances			0 293
0	0	Disposals			293 (732)
	(592)	Impairment recognised in		0 0	0
0 0	0	SOCNE GP Loans Fair Value			(92)
0	0	Adjustment			(92) 147
	447	Revaluation surplus/(deficit) transfered to equity			0
	0				
3,371		At 31 March		**3,800**	
355		Current		**556**	
		SoFP	Non-current	0	0
0	0			3,800	
3,371		**SoFP** At 31 March		556	**3,800**
355	**3,371**			**556**	
355					
0	**0**	The carrying value includes an impairment provision of		**0**	
	0				

Other Investments comprises the Investment in East Central Hub Scotland Ltd denominated in UK pounds. The carrying value of the investment is cost as there is no active market for the equity investment in East Central Territory Hub Ltd.The other Investment is a £355k non equity long term loan repayable in full with interest as part of the financing arrangements for the Stirling Care Village. In 2021/2022 we have a new loan to Tillicoultry Medical Practice on which no interest is chargeable and as such the net present value of the Loan is £201k. Section 10 of the National Code of practice for GP Premises entitles all GP Contractors who own their premises to receive an interest free loan from their Health Board in order to increase the stability of the practice and increase the incentive of being a partner in a practice which owns its premises. The loan is repayable on sale of the premises or cancellation of the General Medical Services Contract.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

11. CONSOLIDATED CASH AND CASH EQUIVALENTS 2022

			2021 £'000 £'000		
Balance at 1 April			232		
			194	Net change in cash	
and cash equivalent balances	CFS	(3)			38
Balance at 31 March					SoFP
			229		
			232		Overdrafts
0		0	**Total Cash - Cash Flow Statement**		
			229		
			232	The following	

balances at 31 March were held at:

Government Banking Service	23
10 Commercial banks and cash in hand	14
	25
Overdrafts	0 0
Short term investments	0 0
Endowment cash	192
197 **Balance at 31 March**	**229**
232	

NHS Forth Valley closing Bank Balance was £37k (2020/2021 £35k).

12. TRADE AND OTHER PAYABLES

Consolidated 2021 £'000	Board 2021 £'000		Note	Consolidated 2022 £'000	
		Payables due within one year NHSScotland			
0		Scottish Government Health & Social Care			
8,695	0	Directorate Boards		3	
8,695	8,695	**Total NHSScotland Payables**		3	
				7,903	
		NHS Non-Scottish bodies			
673	673	Amounts payable to General		705	
35	35	Fund FHS practitioners		37	
15,248	15,248	Trade payables		15,007	
1,250	1,250	Accruals		1,368	
48,039	48,039	Deferred income		59,743	
0	0	Payments received on account		0	
1,082	1,082	Interest payable		3	
206	206	Net obligations under finance leases		0	
9,386	9,386	Net obligations under PPP / PFI		1,193	
0	0	Contracts		0	
6,296	6,296	Bank overdrafts		0	
5,377	5,377	Income tax and social security		17	
2,095	2,095	Superannuation		235	18b
0	0	Holiday pay accrual		9,810	11
16,516	16,516	Clinical and medical negligence claims		0	
456	456	VAT		6,509	
		Other public sector bodies		9	
115,354	391	Scottish Government Health & Social Care		5,717	
		Directorate Boards		7	
	115,289	**Total NHSScotland Payables**	SoFP	1,739	
				0	
		Other public sector bodies	**163,216**	52,983	
0		**Payables due after more than one year NHSScotland**		0	
0		Net obligations under finance leases due within 2 years		234	
0	0	Net obligations under finance leases due after 2 years but within 5 years			
0	0	Net obligations under finance leases due after 5 years		0	
206	0	Net obligations under PPP / PFI contracts due within 2 years		0	
560	206	Net obligations under PPP / PFI contracts due after 2 years but within 5 years	17	0	
3,144	560	Net obligations under PPP / PFI contracts due after 5 years	17	246	
9,809	3,144	EC carbon emissions grant Accruals	17	802	
	9,809	Deferred income Other payables			
32,162		**Total Payables due after more than one year**	2,505		
266,792	32,162		18b		
0	266,792		10,253		
0	0				18b
0	0				18b
0	0			33,611	
312,673	0				
	312,673			255,089	
				0	
				0	
				0	
				29	

Board	70		0	0 0 0		
2022	5		235 9,810 0 6,509 5,717 1,739 0			255,089
£’000	37		0 52,983 0		0 246	
	15,007	147				0
	1,368	**163,129**			802 2,505	0
33	59,743					0
7,903	0			10,253		293
7,936	1,193			33,611		**302,799**
428,027	**427,962**	**TOTAL PAYABLES**			**466,015**	
	465,928					

12. TRADE AND OTHER PAYABLES Contd

Consolidated 2021 £'000	Board 2021 £'000	WGA Classification	Note	Consolidated 2022 £'000	Board 2022 £'000
8,695	0	NHSScotland		7,903	7,903
11,674	8,695	Central Government		12,226	12,226
16,516	11,674	Bodies Whole of		53,047	53,047
673	16,516	Government Bodies		705	705
390,469	673	Balances with NHS Bodies in England and		392,134	392,047
428,027	390,404	Wales Balances with bodies external to		466,015	465,928
	427,962	Government Total			

£'000	£'000	Borrowings included above	£'000	£'000
0	0	comprise: Bank overdrafts	0	0
4,116	4,116	Finance	3,788	3,788
318,149	318,149	Leases PFI	308,763	308,763
322,265	322,265	Contracts	312,551	312,551

The carrying amount and fair value of the non-current borrowings are as follows

2021 £'000	2021 £'000	Carrying amount	2022 £'000	2022 £'000
		Finance Leases		
3,910	3,910	PFI Contracts	3,553	3,553
308,763	308,763		298,953	298,953
312,673	312,673		302,506	
	302,506			

2021 Fair value £'000	2021 Fair value £'000	The carrying amount and fair value of the non-current borrowings are as follows Fair value	2022 Fair value £'000	2022 Fair value £'000
		Finance		
3,910	3,910	Leases	3,637	3,637
308,763	308,763	PFI Contracts	298,953	298,953
312,673	312,673		302,590	
	302,590			

The carrying amount of short term payables approximates their fair value.

2021 £'000	2021 £'000	The carrying amount of payables are denominated in the following currencies:	2022 £'000	2022 £'000
428,027	427,962	Pounds	472,427	472,340
0	0	Euros	0	0
0	0	US Dollars	(6,412)	(6,412)
428,027	427,962		466,015	465,928

13a. PROVISIONS - CONSOLIDATED AND BOARD

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-2022 endowment) £'000	Total £'000
At 1 April 2021		7,088		37,321	83,65
Arising during the		38,997 414		245 1,507	1
year Utilised during		11,332 (508)		963 (949)	14,21
the year Unwinding		(2,137) (71)		(285) 0	6
of discount		0 (411)		0	(3,879
Reversed unutilised		(5,484) **6,512**	0	(125)	) (71)
At 31 March 2022		**42,708**		**37,879**	(6,020
				798	)
					87,89
					7

The amounts shown above in relation to Clinical & Medical Legal Claims against NHS Forth Valley are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 9.

Analysis of expected timing of discounted flows to 31 March 2021

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-2022 endowment) £'000	Total £'000
Payable in one year	459	2,964		83	12,954
Payable between 2 - 5		9,448	1,836		**SoFP** 715
years		6,506			32,077 **SoFP** 0
Payable between 6 - 10	23,020	1,713	21,965		25,636 **SoFP**
years Thereafter		1,958	2,504	0	17,230
At 31 March 2022	11,273	3,453		**SoFP 798**	**87,897**
	6,512	**42,708**			
		37,879			

PROVISIONS - CONSOLIDATED AND BOARD (PRIOR YEAR)

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-2021 endowment) £'000	Total £'000
At 1 April 2020		Arising during	th		e year Utilised during the year

Unwinding of	7,199	37,36	343
discount Reversed	37,359 177	4	82,265 79
unutilised	12,386 (522)	2,056	14,698 (87)
At 31 March 2021	(2,420) 424	(2,099	(5,128) 0
	0 (190)	) 0	424 (90)
	(8,328) **7,088**	0	(8,608) **245**
	38,997	**37,32**	**83,651**
		1	

The amounts shown above in relation to Clinical & Medical Legal Claims against NHS Forth Valley are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 9.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

Analysis of expected timing of discounted flows to 31 March 2021

	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-2021 endowment) £'000	Total £'000
Payable in one year	499	1,104		245	11,157
Payable between 2 - 5 years		9,309	1,998	SoFP 0	34,451
Payable between 6 - 10 years		9,773		SoFP 0	30,801
Thereafter	22,680	2,035	26,837	SoFP 0	
At 31 March 2021		1,929	2,556	7,242	SoFP
		1,283		**245**	**83,651**
		3,403			
	7,088	**38,997**			
		37,321			

Pensions and similar obligations

The Board meets the additional costs of benefits beyond the normal National Health Service Superannuation Scheme for Scotland in respect of employees who retire early by paying the required amounts annually to the National Health Service Superannuation Scheme for Scotland over the period between early departure and normal retirement date. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of (1.30)% in real terms for the Injury Benefit provision and the Treasury discount rate of 1.55% Gross Rate for the Pension provision. The Board expects expenditure to be charged to this provision for a period of up to 40 years.

Clinical & Medical Legal Claims against NHS Board

The Board holds a provision to meet costs of all outstanding and potential clinical and medical negligence claims. All legal claims notified to the Board are processed by the NHS Central Legal Office who will decide upon risk liability and likely outcome of each case. The provision contains sums for settlement awards, legal expenses and third party costs. Clinical and medical negligence cases lodged can be extremely complex. It is expected that expenditure will be charged to this provision for a period of up to 10 years. The amounts disclosed are stated gross and the amount of any expected reimbursements are shown separately as debtors in the notes to the accounts. The analysis of expected timing of discounted flows professional judgement is excercised around the expected timings of these obligations, taking into account relevant risk ratings, information on CLO quarterly returns and the impact of Covid.

Participation in CNORIS

Clinical Negligenge and Other Risks Indemnity Scheme. This represents the Board's share of the total liability of NHSScotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office.

Other

The main element of the Other provisions is the Non Medical Negligence cases and all cases are risk assessed by CLO to determine the level of risk banding to be applied. There are three risk categories in place, with relevant accounting treatments on each: 1. Category 3 - Higher Risk: Fully provided for within the accounts. 2. Category 2 - Mid-level Risk: 50% provided for within the accounts and 50% recorded as a Contingent Liability see N19 within the Accounts. 3. Category 1 - Lower Risk: Recorded as Contingent Liabilities see N14 with the accounts.

13b. CLINICAL NEGLIGENCE AND OTHER RISKS INDEMNITY SCHEME (CNORIS)

2021 £'000		Note	2022 £'000
39,193	Provision recognising individual claims against the NHS Board as at 31 March	13a	36,006
(38,592)	Associated CNORIS receivable at 31 March	9	(43,027)
37,321	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	13a	37,879
37,922	**Net Total Provision relating to CNORIS at 31 March**		**30,858**

The Clinical Negligence and Other Risks Scheme (CNORIS) has been in operation since 2000. Participation in the scheme is mandatory for all NHS boards in Scotland. The scheme allows for risk pooling of legal claims in relation to clinical negligence and other risks and works in a similar manner to an insurance scheme. CNORIS has an agreed threshold of £25k and any claims with a value less than this are met directly from within boards' own budgets. Participants e.g. NHS boards contribute to the CNORIS pool each financial year at a pre-agreed contribution rate based on the risks associated with their individual NHS board. If a claim is settled the board will be reimbursed by the scheme for the value of the settlement, less a £25k "excess" fee. The scheme allows for the risk associated with any large or late in the financial year legal claims to be managed and reduces the level of volatility that individual boards are exposed to.

When a legal claim is made against an individual board, the board will assess whether a provision or contingent liability for that legal claim is required. If a provision is required then the board will also create an associated receivable recognising reimbursement from the scheme if the legal claim settles. The provision and associated receivable are shown in the first two lines above. The receivable has been netted off against the provision to reflect reimbursement from the scheme.

As a result of participation in the scheme, boards should also recognise that they will be required to make contributions to the scheme in future years. Therefore a second provision that recognises the board's share of the total CNORIS liability of NHSScotland has been made and this is reflected in third line above.

Therefore there are two related but distinct provisions required as a result of participation in the scheme. Both of these provisions as well as the associated receivable have been shown in the note above to aid the reader's understanding of CNORIS.

Further information on the scheme can be found at: http://www.clo.scot.nhs.uk/our-services/cnoris.aspx

14. CONTINGENT ASSETS and LIABILITIES

The following contingent liabilities have not been provided for in the Accounts:

2021 £'000	Nature	2022 £'000
8,584	Clinical and medical compensation payments	13,480
452	Employer's liability	1,075
9,036	TOTAL CONTINGENT LIABILITIES	14,555

CONTINGENT ASSETS

8,083	Clinical and medical compensation payments	12,863
250	Employer's liability	884
8,333	TOTAL CONTINGENT ASSETS	13,747

16. COMMITMENTS

2021	Capital Commitments	Property, plant and equipment:	Intangible assets:	2022
	The Board has the following Capital			
Commitments **£'000**	which have not been included		**£'000**	**£'000**
for in the accounts		**£'000**		
	Contracted			
1,710	Community Hospital	1,804		0
7,813	Improving Access to Elective	1,804	6,412	0
Care			6,412	0
9,523	**Total**	**8,216**	**0**	**8,216**
	Authorised but not Contracted			
1,580	Medical Equipment	2,000		0
Replacement 1,520	Primary Care	2,000	894	0
Modernisation 2,514	IM&T Strategy	894	2,514	0
2,295	Property Maintenance & Statutory	2,514	900	0
Standards 1,400	Energy Efficiency	900	300	0
0	Covid Remobilisation	300	600	0
0	NHS Board corporate projects	600	1,345	0
				1,345
9,309	**Total**	**8,553**	**0**	**8,553**

Other financial commitments

No non - cancellable contracts have been entered into by the Board.

Financial Guarantees, Indemnities and Letter of Comfort

No quantifiable Guarantees or indemnities have been entered into by the Board and no letters of comfort have been provided.

17. COMMITMENTS UNDER LEASES

Operating Leases

Total future minimum lease payments under operating leases are given the in the table below for the each of the following periods.

Obligations under operating leases comprise: Land

2021 £'000		2022 £'000
43	Not later than one year	
68 43	Later than one year, not later than 2 years	
68 130	Later than two year, not later than five years	
203 389	Later than five years	
		538

Buildings

211	Not later than one year	321
322	Later than one year, not later than 2 years	858
322	Later than two year, not later than five years	988
791	Later than five years	
726		

Other

314	Not later than one year	
356 174	Later than one year, not later than 2 years	
248 99	Later than two year, not later than five years	
68 0	Later than five years	
		0

Amounts charged to Operating Costs in the year were:

498	Hire of equipment (including vehicles)	
531 286	Other operating leases	
294 **784**	**Total**	**825**

Contingent rents recognised as an expense in the period were:

0	Contingent rents	0

Finance Leases

Total future minimum lease payments under finance leases are given the in the table below for the each of the following periods.

Obligations under Finance leases comprise: Buildings

2021 £'000			2022 £'000
383	Rentals due within one year		384
383	Rentals due between one and two years		384
1,148	(inclusive) Rentals due between two and five		1,153
3,424	years (inclusive) Rentals due after five years		2,972
5,338			4,893
(1,222)	Less interest element		(1,105)
4,116	**Other**	**12**	**3,788**
	Rentals due within one year		
0	Rentals due between one and two years		0
0	(inclusive) Rentals due between two and five		0
0	years (inclusive) Rentals due after five years		0
0			0
0	Less interest element		0
0			0
0		**12**	**0**

This total net obligation under finance leases is analysed in Note 12 (Payables)

Aggregate Rentals Receivable in the year

(2)	Total of finance & operating leases	(2)

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

18b. COMMITMENTS UNDER PFI CONTRACTS - On Balance Sheet

Clackmannanshire Community Healthcare Centre (CCHC) CCHC is a service concession for the development and right of use of Community Health Facilities (incorporating a Health Centre Building including accommodation for 3 GP practices, Associated Clinical Services and accommodation for local Health and Social Work Teams, a Mental Health Resource Centre, a Day Therapy Unit and 45 Inpatient Beds) and provision of services, including maintenance of the facility, under a Project Agreement. Certain facilities management services such as cleaning will be provided by the Board. Services commencement date was 18th May 2009 and the contract term ends in July 2037. The payment mechanism is incorporated in the Project Agreement and subject to annual adjustment for inflation in line with the Retail Price Index (RPI) and risk sharing arrangements around usage and price of utilities (gas, electricity and fuel oil). At the end of the agreement the asset will revert to the ownership of the Board. There were no significant changes to the contract in the year.

Forth Valley Royal Hospital (FVRH) is a service concession for the NHS Forth Valley development and right of use of a new Acute Hospital for Forth Valley (Forth Valley Royal Hospital (FVRH)) and associated provision of services including provision of facilities management services such as patient catering, portering, cleaning and maintenance . Services Commencement (handover of the facility to the Board) was in three phases May 2010, August 2010 and April 2011 and the accounting treatment is on-balance sheet. The duration of the agreement is for 30 years from practical completion to the end of the financial year in which the 30th anniversary occurs. The payment mechanism is incorporated in the Project Agreement and subject to annual adjustment for inflation in line with the Retail Price Index (RPI) and risk sharing arrangements around volumes of patient catering supplied and usage and price of utilities (gas, electricity and fuel oil). At the end of the agreement the asset will revert to the ownership of the Board. There were no significant changes to the contract in the year.

Stirling Health and Care Village (SCV) - SCV is a service concession for the developement and right of use of Community Health and Care facilities which will bring together on one site a range of health, local authority and other partner organisation's services. These services include a 116 bed integrated care hub, accomodation for 3 GP practices, associated clinical services and accomodation for Minor Injuries Unit, Diagnostics, Community Nursing, GP Out of Hours and an ambulance station and workshop. Soft Facilities will be provided by the Board including some hard FM services. The facility will be delivered under the Hub initiative and the contract agreement is for 25 years ending in October 2044. The payment mechanism is incorporated in the project agreement and subject to annual adjustment in line with the Retail Price Index (RPI).

Under IFRIC 12 the assets are treated as assets of the Board and included in the Board's accounts as Non current assets. The liability to pay for the properties are in substance finance lease obligations. Contractual payments therefore comprise two elements for each asset; imputed finance lease charges and service charges. The imputed finance lease obligations are as follows:

Total obligations under on-balance sheet PFI/PPP contracts for the following periods comprises:

2021 £'000	Gross Minimum Lease Payments	CCHC £'000	FVRH £'000	SCV £'000	2022 £'000
23,753	Rentals due within 1 year	1,446	19,787		23,753
23,753	Due within 1 to 2 years	2,520	1,446	19,787	23,753
71,257	Due within 2 to 5 years	2,520	4,338	59,360	71,257
381,812	Due after 5 years	7,559	15,906	296,800	358,061
500,575	**Total**		45,355		
		23,136	395,734	57,954	476,824

2021 £'000	*Less* Interest Element	CCHC £'000	FVRH £'000	SCV £'000	2022 £'000
(14,367)	Rentals due within 1 year	(840)	(11,360)	(1,743)	(13,943)
(13,944)	Due within 1 to 2 years	(806)	(10,992)	(1,702)	(13,500)
(39,095)	Due within 2 to 5 years	(2,197)	(30,608)	(4,841)	(37,646)
(115,020)	Due after 5 years	(4,259)	(82,244)	(16,469)	(102,972)
(182,426)	**Total**	(8,102)	(135,204)	(24,755)	(168,061)

2021 £'000	Present value of minimum lease payments	CCHC £'000	FVRH £'000	SCV £'000	2022 £'000
9,386	Rentals due within 1 year	606		8,427	9,810
9,809	Due within 1 to 2 years	777	640	8,795	10,253
32,162	Due within 2 to 5 years	818	2,141	28,752	33,611
266,792	Due after 5 years	2,718	11,647	214,556	255,089
318,149	**Total**	15,034	260,530	28,886	308,763
			33,199		

2021 £'000	Service elements due in future periods	CCHC £'000	FVRH £'000	SCV £'000	2022 £'000
47,019	Rentals due within 1 year	2,744	45,903		51,008
47,944	Due within 1 to 2 years	2,361	2,777	46,622	51,734
149,541	Due within 2 to 5 years	2,335	8,525	144,237	159,588
946,790	Due after 5 years	6,826	33,359	822,786	887,820
1,191,294	**Total**		31,675	47,405	1,059,548	1,150,150
				43,197	
1,509,443	**Total commitments**	**62,439**	**1,320,078**	**76,396**	**1,458,913**

2021	2022

£'000		£'000
14,770	Interest Charges	
14,366	25,218 Service Charges	
26,333	8,982 Principal Repayment	
9,387	6,705 Other Charges	
6,320	55,675	
	56,406	

2021		2022
£'000		£'000
6,705	Contingent rents (included in Other charges)	6,320

19. PENSION COSTS

(a)The Board participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31st March 2016. This valuation informed an employer contribution rate from 1 April 2019 of 20.9% of pensionable pay and an anticipated yield of 9.6% employees contributions.

(b) The Board has no liability for other employers obligations to the multi-employer scheme.

(c) As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

(d) (i) The scheme is an unfunded multi-employer defined benefit scheme.

(ii) It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Board is unable to identify its share of the underlying assets and liabilities of the scheme.

(iii) The employer contribution rate for the period from 1 April 2021 was 20.9% of pensionable pay. The employee rate applied is a variable and is anticipated to provide a yield of 9.6% of pensionable pay.

(iv) While a valuation was carried out as at 31 March 2016, work on the cost cap valuation was suspended by the UK Government following the decision by the Court of Appeal (McLeod(Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that the transitional protections provided as part of the 2015 reforms unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 acturial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

(v) The Board's level of participation in the scheme is 3.7 % based on the proportion of employer contributions paid in 2020-21.

For the current year, normal employer contributions of £46.410m were payable to the SPPA (prior year £43.258m) at the rate of 20.9% (prior year: 20.9%) of total pensionable salaries. In addition, during the accounting period the NHS board had reduced costs of £67k (prior year additional costs £411k) arising from the early retirement of staff.

Provisions amounting to £6.512m are included in the Statement of Financial Position and reflect the difference between the amounts charged to the Statement of Comprehensive Net Expenditure and the amounts paid directly.

The new NHS Pension Scheme (Scotland) 2015

From 1 April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above inflation rate to maintain its buying power. This is currently 1.5% above increases to the Consumer Prices Index (CPI). This continues until the member leaves the scheme or retires. In 2021-22 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. The normal pension age (NPA) is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

The existing NHS Superannuation Scheme (Scotland)

This scheme closed to new joiners on 31 March 2015 but any benefits earned in either NHS 1995 or NHS 2008 sections are protected and will be paid at the section's normal pension age using final pensionable pay when members leave or retire. Some members who were close to retirement when the NHS 2015 scheme launched will continue to earn benefits in their current section. This may affect members who were paying into the scheme on 1 April 2012 and were within 10 years of their normal retirement age. Some members who were close to retirement but did not qualify for full protection will remain in their current section beyond 1 April 2015 and join the 2015 scheme at a later date.

All other members automatically joined the NHS 2015 scheme on 1 April 2015.

Further information is available on the Scottish Public Pensions Agency (SPPA) web site at www.sppa.gov.uk

National Employment Savings Trust (NEST)

The Pensions ACT 2008 and 2011 Automatic Enrolment regulations required all employers to enrol workersmeeting certain criteria into a pension scheme and pay contributions toward their retirement. For those staff not entitled to join the NHS Superannuation Scheme (Scotland), the Board utilised an alternative pension scheme called NEST to fulfil its Automatic Enrolment obligations.

NEST is a defined contribution pension scheme established by law to support the introduction of AutoEnrolment. Contributions are taken from qualifying earnings, which are currently from £6,240 up to £50,000, but will be reviewed every year by the government. The initial contribution is 1% of qaulifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

Date	Employee Contribution	Employer Contribution	Total Contribution
1st March 2013	1%	1%	2%
1st October 2018	3%	2%	5%
1st October 2019	5%	3%	8%

Pension members can choose to let NEST manage their retirement fund or can take control themselves and alter contribution levels and switch between different funds. If pension members leave the Board they can continue to pay into NEST.
NEST Pension members can take money out of NEST at any time from age 55. If suffering from serious ill health or incapable of working due to illness members can request to take money out of NEST early. They can take the entire retirement fund as cash, use it to buy a retirement income or a combination. Additionally members can transfer their NEST retirement fund to another scheme.
NEST is run by NEST Corporation, a trustee body which is a non-departmental public body operating at arm's length from government and is accountable to Parliament through the Department for Work and Pensions.

	2022	2021 £'000
	£'000	
Pension cost charge for the year	46,410	43,258 (67)
Additional Costs arising from early retirement	411	10,982
Provisions/Liabilities included in the Statement of Financial Position		10,711
Pension costs for the year for staff transferred from local authority	0	0

20. RETROSPECTIVE RESTATEMENTS

There are no retrospective restatements recognised in these Accounts.

22. FINANCIAL INSTRUMENTS

a FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets

CONSOLIDATED

At 31 March 2022 Assets per Statement of Financial Position	Note	Financial Assets at fair value through OCI £'000	Financial Assets at amortised cost £'000	Financial Assets at fair value through profit/loss £'000	Total £'000
Investments	10		0	3,800	3,800
0 Derivative financial instruments	23		0	0	0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9		0	0	0
7,332 Cash and cash equivalents	11		229	0	229
		7,561	**0**	**3,800**	**11,361**

BOARD

At 31 March 2022 Assets per Statement of Financial Position	Note	Financial Assets at fair value through OCI £'000	Financial Assets at amortised cost £'000	Financial Assets at fair value through profit/loss £'000	Total £'000
Investments	10		0	556	556
0 Derivative financial instruments	23		0	0	0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9		0	0	0
7,290 Cash and cash equivalents	11		37	0	37
		7,327	**0**	**556**	**7,883**

CONSOLIDATED (Prior Year)

At 31 March 2021 Assets per Statement of Financial Position	Note	Financial Assets at fair value through OCI £'000	Financial Assets at amortised cost £'000	Financial Assets at fair value through profit/loss £'000	Total £'000
Investments	10		0	3,371	3,371
0 Derivative financial instruments	23		0	0	0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9		0	0	0
9,867 Cash and cash equivalents	11		232	0	232
		10,099	**0**	**3,371**	**13,470**

BOARD (Prior Year)

At 31 March 2021 Assets per Statement of Financial Position	Note	Financial Assets at fair value through OCI £'000	Financial Assets at amortised cost £'000	Financial Assets at fair value through profit/loss £'000	Total £'000
Investments	10		0	355	355
0 Derivative financial instruments	23		0	0	0
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9		0	0	0
9,776 Cash and cash equivalents	11		35	0	35
		9,811	**0**	**355**	**10,166**

22. FINANCIAL INSTRUMENTS (cont.)

Financial Liabilities

CONSOLIDATED

At 31 March 2022	**Note**	**Liabilities at Fair Value through profit and loss £'000**	**Financial Liabilities at amortised cost £'000**	**Total £'000**
Liabilities per Statement of Financial Position				
Finance lease liabilities		0	3,788	3,788
PFI Liabilities	12	0	308,763	308,763
Derivative financial instruments	12	0	3	3
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	23	0	133,302	133,302
	12		0	0
		0	**445,853**	**445,853**

BOARD

At 31 March 2022	**Note**	**Liabilities at Fair Value through profit and loss £'000**	**Financial Liabilities at amortised cost £'000**	**Total £'000**
Liabilities per Statement of Financial Position				
Finance lease liabilities		0	3,788	3,788
PFI Liabilities	12	0	308,763	308,763
Derivative financial instruments	12	0	3	3
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	23	0	133,215	133,215
	12		0	0
		0	**445,766**	**445,766**

CONSOLIDATED (Prior Year)

At 31 March 2021	**Note**	**Liabilities at Fair Value through profit and loss £'000**	**Financial Liabilities at amortised cost £'000**	**Total £'000**
Liabilities per Statement of Financial Position				
Finance lease liabilities		0	4,116	4,116
PFI Liabilities	12	0	318,149	318,149
Derivative financial instruments	12	0	90	90
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	23	0	85,394	85,394
	12		0	0
		0	**407,659**	**407,659**

BOARD (Prior Year)

At 31 March 2021	**Note**	**Liabilities at Fair Value through profit and loss £'000**
Liabilities per Statement of Financial Position		
Finance lease liabilities		0
PFI Liabilities	12	0
Derivative financial instruments	12	0
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	23	0

| Financial Liabilities at amortised cost £'000 | | |

22. FINANCIAL INSTRUMENTS, cont.

b FINANCIAL RISK FACTORS

Exposure to Risk
The NHS Board's activities expose it to a variety of financial risks:

Credit risk - the possibility that other parties might fail to pay amounts due.
Liquidity risk - the possibility that the NHS Board might not have funds available to meet its commitments to make payments.
Market risk - the possibility that financial loss might arise as a result of changes in such measures as interest rates, stock market movements or foreign exchange rates.
Because of the largely non-trading nature of its activities and the way in which government departments are financed, the NHS Board is not exposed to the degree of financial risk faced by business entities.

a) Credit Risk
Credit risk arises from cash and cash equivalents, deposits with banks and other institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and other institutions, only independently rated parties with an minimum rating of 'A' are accepted.
Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the NHS Board.

The utilisation of credit limits is regularly monitored.
No credit limits were exceeded during the reporting period and no losses are expected from non-performance by any counterparties in relation to deposits.

b) Liquidity Risk
The Scottish Parliament makes provision for the use of resources by the NHS Board for revenue and capital purposes in a Budget Act for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the Budget Act. The Act also specifies an overall cash authorisation to operate for the financial year. The NHS Board is not therefore exposed to significant liquidity risks.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

At 31 March 2022	**Less than 1 year £'000**	**Between 1 and 2 years £'000**	**Between 2 and 5 years £'000**	**Over 5 years £'000**
PFI Liabilities	9,81		10,253	255,08
Finance lease liabilities	0		33,611 169	9 2,850
Derivative financial instruments	151		618	0
Trade and other payables excluding statutory liabilities **Total**	0 139,34 6 **149,30 7**	0 0	0 0 **10,422 34,229**	0 **257,93 9**

At 31 March 2021	**Less than 1 year £'000**	**Between 1 and 2 years £'000**	**Between 2 and 5 years £'000**	**Over 5 years £'000**
PFI Liabilities		9,386		32,162
Finance lease liabilities		9,809 206		266,792 560
Derivative financial instruments	0	206 0	0	3,144 0
Trade and other payables excluding statutory liabilities **Total**		84,608 0 **94,200 10,015**	0	0 **32,722 269,936**

Note - The PFI Liabilities line for the prior year has been restated to agree to the undiscounted cash flows.

c) Market Risk

The NHS Board has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NHS Board in undertaking its activities.
i) Cash flow and fair value interest rate risk
The NHS Board has no significant interest bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.

ii) Foreign Currency Risk
The NHS Board is not exposed to foreign currency risk. **iii) Price risk**
The NHS Board is not exposed to equity security price risk.

c FAIR VALUE ESTIMATION

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined using valuation techniques.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current HM Treasury interest rate that is available for similar financial instruments.

24. RELATED PARTY TRANSACTIONS

Transactions that NHS Forth Valley had with the Scottish Government Health Department (SGHD) are disclosed within these published accounts. During the year the Board received funding of £751,266k and also received payments of £854k and made payments of £63k with a balance of £128k due to the Board and payments of £33k due by the Board.

Transactions that NHS Forth Valley had with other government departments and other central government bodies are disclosed within these published accounts. During the year the Board received payments of £19,069k and made payments of £162,320k with a balance of £4,389k due to the Board and payments of £65,145k due by the Board.

Other Government Body with significant balances are included in the above -

	Due to	Due From	Income	Expenditure With
	£000	£000	£000	£000
Falkirk Council	27,771		2,556	
	688			10,603

Transactions that NHS Forth Valley had with other NHS Scotland bodies are disclosed within these published accounts. During the year the Board received payments of £31,143k and made payments of £94,899k with a balance of £7,903k due to the Board and payments of £3,7545k due by the Board.

NHS Scotland Body with significant balances are included in the above -

	Due to	Due From	Income	Expenditure With
	£000	£000	£000	£000
NHS Greater Glasgow and Clyde	2,794			1,702
NHS Lothian	682	2,497		46,796
	630		2,411	18,831
NHS National Services Scotland	348	208	854	17,142

NHS Forth Valley has endowment funds that are managed by Trustees who are also Directors of the Board. The Endowment balances are consolidated within the Accounts as per N26.

Falkirk Integrated Joint Board is a related party of NHS Forth Valley. During the year the Board received payments from the IJB of £176,280k, and made payments to the IJB of £176,280k. The Board's share of the IJB surplus was £9,959k.

Clackmannanshire and Stirling Integrated Joint Board is a related party of NHS Forth Valley. During the year the Board received payments from the IJB of £163,839k, and made payments to the IJB of £163,839k. The Board's share of the IJB surplus was £7,290k.

NHS Forth Valley Executives and Non Executives are members of Clackmannanshire and Stirling Integrated Joint Board , Falkirk Integrated Joint Board and are also Trustees of NHS Forth Valley Endowment Funds -

	Clackmannanshire & Stirling Integrated Joint Board	Falkirk Integrated Joint Board	NHS Forth Valley Endowment Funds
EXECUTIVES -			
Mrs Cathie Cowan	√		√
Mr Andrew Murray	√		√
Ms Angela Wallace - (Ends on 17/04/2022)	√	√	
Mr Scott Urquhart			√
NON EXECUTIVES -			
Mr John Ford			√
Ms Michelle McClung		√	√
Mr Gordon Johnston	√		
Mr Les Sharp - (Ends on 30/04/2022)			√
Mr Robert Clark			√
Mr Stephen Mc Allister	√	√	
Mr Allan Rennie	√		
Mr Gordon Johnston		√	
Mr Martin Fairbairn	√		√
Mr John Stuart (MBE)	√		
Ms Susan McGill - (Ends on 30/04/2022)			√

See further disclosures in the Remuneration Report for the Executive and Non Executives.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

25. THIRD PARTY ASSETS

Third Party Assets managed by the Board consist of balances on Patients' Private Funds Accounts

These are not departmental assets and are not included in the accounts. The assets held at the reporting period date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit, and listed securities. They are set out in the table immediately below.

	Gross Inflows 2021 £'000	Gross Outflows 2021 £'000	Gross Inflows 2022 £'000	Gross Outflows 2022 £'000
Monetary amounts such as bank balances and monies on deposit Unclaimed dividends and unapplied balances	314	(253)	246	0
Securities	185	0	0	0
Other monetary assets	0	0	0	0
Total Monetary Assets	0	(253)		
	0	0		
	314		246	
	185			

There are no siginificant assets /investments held at the year end.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

26a. CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

Group			Board	Endowments Consolidated	Intra Group adj.	Integration Joint Board (Joint Ventures) Clackmannanshire & Falkirk IJB	Stirling IJB	
2021			2022	2022	2022	2022	2022	2022
£'000		Note	£'000	£'000	£'000		£'000	£'000
324,502	**Total income and expenditure** Employee Expenditure	3	347,882	0	0	0	0	347,882
		3						
95,519	Other operating expenditure		95,503		0	0		95,503 0
120,150	Independent Primary Care		0 129,643		0	0		129,643 0
625,556	Services Drugs and medical supplies		0 621,269		335	0	0	621,604 0
1,165,727	Other health care expenditure Gross expenditure for the year		0 1,194,297		335	0		1,194,632
		4	(402,522)	(258)	0	0		0
(403,015)	Less: operating income							(402,780)
(11,797)	Associates and joint ventures accounted for on an equity basis		0	0	0		(7,290)	(17,249)
750,915	**Net Expenditure**		**791,775**		(9,959)		**(7,290)**	**774,603**
			77		**0**			
					(9,959)			

The endowment fund is a fully consolidated subsidiary.

The IJBs are accounted for as joint ventures and NHS Forth Valley accounts for a 50% share of the result for the year.

FORTH VALLEY NHS BOARD

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2022

26b. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Group Board 2021 2022 £'000		Note £'000	Endowment 2022 £'000	Integration Joint Board (Joint Ventures) Intra Group Clackmannanshire & adjustment 2022 £'000	Falkirk IJB 2022 £'000	Stirling IJB	Group 2022 2022 £'000
	Non-current assets:						
551,810	Property, plant and equipment		578,524	0	0		0
1,003			0 696	0	0		578,524 0
	SoFP Intangible assets				0		696
3,371			556	3,244	0	0	3,800
15,938	**SoFP** Financial assets:		0 0	0	0		14,228
38,578	Investments	**SoFP**			18,959		33,187 0
610,700	Investments in associates and joint ventures		40,831	0	0		40,831 **14,228**
	26a Trade and other receivables	**SoFP**	0 **620,607**	**3,244**	**0**		**657,038**
	Total non-current assets				**18,959**		
1,845	**Current Assets:**						0
0	Inventories		2,012	0	0		2,012 0
			0 0	0	0		0
15,361					0		
1 232	**SoFP** Intangible assets					0	
0			16,774	42	0		
0	**SoFP** Financial assets:		0 37	192	0		16,816 0
0	Trade and other receivables				0		229 0
17,438	**SoFP** Cash and cash equivalents		0	0	0		0 0
	SoFP Investments		0	0	0		0 0
	SoFP Derivatives financial assets		0	0	0		0
	SoFP Assets classified as held for sale		**18,823**	**234**	**0**		**0**
	SoFP						
	Total current assets						**19,057**
628,138	**Total assets**		**639,430**	**3,478**	**0**	**18,959**	**14,228** **676,095**
	Current liabilities	**SoFP**	(12,954)	0	0	0	0
(11,157)	Provisions						
	Financial	**SoFP**	(163,129)		(87)	0	
(115,354)	liabilities:	0 **SoFP**	0		0	0	(12,954)
0	Trade and other payables					0	
(126,511)	Derivatives financial liabilities		**(176,083)**	**(87)**	**0**	**0**	(163,216) 0
	Total current liabilities						0
							(176,170)
501,627	**Non-current assets plus / less net current assets/liabilities**		**463,347**	**3,391**	**0**	**18,959**	**14,228** **499,925**
	Non-current liabilities						
(72,494)	Provisions	**SoFP**	(74,943)	0	0	0	0
	Financial liabilities:						
	Trade and other payables	**SoFP**	(302,799)		0	0	
(312,673)	Liabilities in associates and joint ventures		0 0		0	0	(74,943)
0	**26a**					0	
(385,167)	**Total non-current liabilities**		**(377,742)**	**0**	**0**	**0**	(302,799) 0
							0
							0
							(377,742)
116,460	**Assets less liabilities**		**85,605**	**3,391**	**0**	**18,959**	**14,228** **122,183**
	Taxpayers' Equity General	**SoFP**	(84,244)		0	0	0
(45,498)	fund Revaluation	0 **SoFP**	169,849		0	0	(84,244) 0
142,781	reserve	0 **SoFP**	0		0	0	169,849
15,938	Other reserves - joint		18,959 **SoFP**		0	3,391	14,228
3,239	venture Funds Held on		0		0 **85,605**	**3,391**	33,187 0
116,460	Trust				**0**	**18,959**	3,391 **14,228**
	Total taxpayers' equity						**122,183**

26c. CONSOLIDATED STATEMENT OF CASHFLOWS

Consolidated 2021 £'000		Board 2022 £'000	Endowment Consolidated 2022 £'000	Clackmannanshire adjustment 2022 £'000	Integration Joint Board (Joint Ventures) Intra Group Falkirk IJB 2022 £'000	& Stirling IJB 2022 £'000	2022 £'000
(750,915)	**Cash flows from operating activities** Net operating		(791,775)	(77)	9,959	7,290	(774,603)
14,383	expenditure Adjustments for		0 18,200	0	(9,959)	(7,290)	951
15,420	non-cash transactions		0 14,411	0	0	0	14,411
(44)	Add back: interest payable recognised in net operating		0 (18)	0	0	0	(18)
0	expenditure Deduct: interest receivable recognised in net			0	0	0	0
30,494	operating expenditure Investment income	0	0	0	0	0	41,293
	Movements in working capital		41,364	(71)			
				0	**0**	**0**	
(690,662)	**Net cash outflow from operating activities**	**(717,818)**	**(148)**	**0**			**(717,966)**
	Cash flows from investing activities Purchase of property,				0	0	
					0	0	
(9,270)	plant and equipment Purchase of		(8,272)	0	0	0	(8,272)
	intangible assets		0 0	0	0	0	0
(126)	Investment additions			0	0	0	(1,106)
(774)	Transfer of assets to/(from) other NHS bodies	(293)	(813)	0	0	0	0
0	Proceeds of disposal of property, plant and	0	0	0	0	0	0
651	equipment Proceeds of disposal of intangible	0	0	0	0	0	0
0	assets	0	0	0			814
749	Receipts from sale of	0	814	0	**(0)**	**(0)**	18
44	investments Interest received	18	0	0			
	Net cash outflow from investing activities	**(8,547)**	**1 (0)**				**(8,546)**
					0	0	
(8,726)	**Cash flows from financing activities** Funding				0	0	750,632
	Movement in general fund working		750,632	0			2
	capital Cash drawn down		0 2	0	0	0	750,634
724,663	Capital element of payments in respect of finance leases and		0 750,634	0	0	0	
(5)	on-balance sheet PFI contracts			0			
724,658	Interest paid				0	0	(9,714)
	Interest element of finance leases and on-balance sheet		(9,714)	0			71
(9,812)	PFI / PPP contracts		0 71	0	**0**	**0**	
(424)				0			(14,482)
	Net Financing						
(14,996)		(14,482)	0	0	0	0	
					0	0	**726,509**
699,426	**Net Increase / (decrease) in cash and cash equivalents in the period Cash and cash equivalents at the beginning of the period**	**726,509**	**0**	**0**			
					0	**0**	
			144	(147)			(3)
	Cash and cash equivalents at the end of the period		0 35	197	0	0	232
				0	0	0	
38							
194	**Reconciliation of net cash flow to movement in net debt / cash** Increase / (decrease) in cash in year	**179**	**50**	**0**	**0**	**0**	**229**
	Net debt / cash at 1 April						
232							
	Net debt / cash at 31 March		3	(6)			(3)
			0 35	197			232
				0			
38							
194		**38**	**191**	**0**			**229**
232							

DIRECTIONS BY THE SCOTTISH MINISTERS

The Scottish Ministers, in exercise of their functions under section 86(1) and (3) of the National Health Service (Scotland) Act 1978, in relation to the functions of Health Boards in that section which apply to NHS Forth Valley by virtue of that Act, and all other powers enabling them to do so, hereby DIRECT that:

1. NHS Forth Valley must prepare a statement of accounts for each financial year in accordance with the accounting principles and disclosure requirements set out in the edition of the Government Financial Reporting Manual which is applicable for the financial year for which the statement of accounts is prepared.

2. In preparing a statement of accounts in accordance with paragraph 1, NHS Forth Valley must use the NHS Forth Valley Annual Accounts template which is applicable for the financial year for which the statement of accounts is prepared.

3. In preparing a statement of accounts in accordance with paragraph 1, NHS Forth Valley must adhere to any supplementary accounting requirements set out in the following documents which are applicable for the financial year for which the statement of accounts is prepared –

    (a) The NHS Scotland Capital Accounting Manual,

    (b) The Manual for the Annual Report and Accounts of NHS Boards and for Scottish Financial Returns, and

    (c) The Scottish Public Finance Manual.

4. A statement of accounts prepared by NHS Forth Valley in accordance with paragraphs 1, 2 and 3, must give a true and fair view of the income and expenditure and cash flows for that financial year, and of the state of affairs as at the end of the financial year.

5. NHS Forth Valley must attach these directions as an appendix to the statement of accounts which it prepares for each financial year.

6. In these Directions –

    "financial year" has the same meaning as that given by Schedule 1 of the Interpretation Act 1978,

    "Government Financial Reporting Manual" means the technical accounting guide for the preparation of financial statements issued by HM Treasury,

    "Manual for the Annual Report and Accounts of NHS Boards and for Scottish Financial Returns" means the guidance on preparing annual accounts issued to Health Boards by the Scottish Ministers,

    "NHS Act 1978" means the National Health Service (Scotland) Act 1978 (c. 29),

    "NHS Scotland Capital Accounting Manual" means the guidance on the application of accounting standards and practice to capital accounting transactions in the NHS issued by the Scottish Ministers,

NHS Forth Valley is a Health Board established under section 2(1) of the National Health Service (Scotland) Act 1978

"NHS Forth Valley Annual Accounts template" means the Excel spreadsheet issued to NHS Forth Valley by the Scottish Ministers as a template for their statement of accounts, and

"Scottish Public Finance Manual" means the guidance on proper handling and reporting of public funds issued by the Scottish Ministers.

7. Any expressions or definitions, where relevant and unless otherwise specified, take the meaning which they have in section 108 of the NHS Act 1978.

8. This Direction will come into force on the day after the day on which it is signed.

9. This Direction will remain in force until such time that it is varied, amended or revoked by a further Direction of the Scottish Ministers under section 86 of the NHS Act 1978.

Signed by the authority of the Scottish Ministers

Dated 22 March 2022